

INDIAN INDIVIDUAL MONEY ACCOUNTS

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS

UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

ON

STATUS OF THE INDIAN INDIVIDUAL MONEY ACCOUNT PAYMENTS TO
MEMBERS OF THE STANDING ROCK SIOUX TRIBE

SEPTEMBER 1, 2000
FORT YATES, ND



U.S. GOVERNMENT PRINTING OFFICE

68-071 CC

WASHINGTON : 2000

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

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INDIAN INDIVIDUAL MONEY ACCOUNTS

FRIDAY, SEPTEMBER 1, 2000

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Fort Yates, ND

The committee met, pursuant to notice, at 10:10 a.m. in the Standing Rock Community Grant School Auditorium, Fort Yates, ND, Hon. Kent Conrad (acting chairman of the committee) presiding.

Present: Senator Conrad.

Also present: Representative Pomeroy.

STATEMENT OF HON. KENT CONRAD, U.S. SENATOR FROM NORTH DAKOTA, ACTING CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

Senator CONRAD. Why don't we bring the hearing to order. I'm Senator Kent Conrad, and this is an official hearing of the Indian Affairs Committee of the U.S. Senate held under authorization of the chairman, Senator Ben Nighthorse Campbell. First of all, I want to thank Senator Campbell, the chairman of the Indian Affairs Committee, for authorizing this hearing.

I am pleased to be here so that we can discuss the status of Individual Indian Moneys account payments to members of the Standing Rock Sioux Tribe. First, I would like to thank our chairman, Charles Murphy, for his leadership on this issue and for helping to organize this field hearing. I'm grateful, Chairman Murphy, for your assistance in this matter.

I'm also pleased to welcome Tom Slonaker, the new Special Trustee for American Indians, to North Dakota. During his confirmation hearing before the Senate Committee on Indian Affairs, our chairman, Senator Ben Nighthorse Campbell, warned him that he was taking on a very challenging position. Now he has jumped in with both feet, and I greatly appreciate his willingness to be here personally to discuss this matter and attempt to resolve these problems. Thank you, Tom, for being here. Thank you for your personal attention.

Today we will examine problems related to the administration of Individual Indian Moneys or IIM, accounts at Standing Rock. As all account holders know, these funds are Indian-owned funds. They're not Federal funds managed for Indians. These funds are derived from leases from Indian land or other activities, such as oil and gas, raising of timber, Indian claims commission settlement

and awards, and funds derived from legislation and satisfaction of land and water claims.

In 1994 the Department of the Interior released a report on a 5-year study of tribal account transactions for the period 1972–92. The study was designed to reconstruct tribal accounts when possible, to review the accuracy of the transactions, the reasonableness of investment earnings and the propriety of income collected. The tribal reconciliation project reviewed \$17.7 billion in non-investment transactions. Of these, 86 percent were successfully reconciled. With the remaining 14 percent the Office of Trust Funds Management was unable to locate source documents to verify the accuracy of the general ledger entry for the transactions.

Congress has now taken action to cleanup these trust accounts, including directing the Department of the Interior to build a system to prevent these problems from occurring in the future. In 1994 Congress passed the Indians Trust Fund Management Reform Act, which created the office of the Special Trustee and required the Secretary of the Interior to develop a strategic plan to resolve disputed tribal trust fund account balances and to develop a new system for the future. After a great deal of work in 1998 the Department released its high level implementation plan. As part of that plan the Department of the Interior developed a new system for the proper crediting, maintenance and disbursements of individual Indian moneys accounts. The trust funds accounting system—some people call it the TFAS system—is now in place.

In April 2000 the Department announced the full implementation of the system encompassing 262,000 trust accounts. During the development of the new system, IIM records from around the country were consolidated in Albuquerque.

Earlier this year I spoke to Chairman Murphy about the significant delays that some account holders have reported in receiving their lease payments. For example, Chairman Murphy informed me that while some have previously received lease payments by December 15, now some people have their payments delayed by months—by months. That is unacceptable. I recognize that these payment delays are resulting in severe financial hardship for many tribal members.

In June I asked Chairman Campbell for a field hearing to determine why so many payments are late, what can be done to prevent future delays, and how Standing Rock fits into the trust funds accounting system. The Senate Committee on Indian Affairs has held numerous hearings about the status of the Department's efforts to cleanup the trust asset management system. This field hearing is vitally important to give a detailed view of this work and how the individual account holders are affected.

I commend the special trustee for being here today to listen for himself to the Standing Rock account holders and his willingness to become personally involved in finding real solutions. Now, on the trip down this morning, he told me he is willing to come back within the next 30 days to a meeting at Aberdeen and discuss with all affected parties—representatives of all affected parties what we can do to resolve these problems once and for all.

Again, I thank today's witnesses for being here. We need to get to the bottom of these problems and find solutions, which is the purpose of this hearing.

Since we are very limited in time today, we have to end this hearing promptly at noon. I ask our witnesses to summarize their testimony and do so in no more than ten minutes. Your full, written testimony will be submitted for the record.

Today's witnesses are Charles Murphy, the chairman of the Standing Rock Sioux Tribe; Tom Slonaker, Special Trustee for American Indians, Department of the Interior; Cora Jones, Bureau of Indian Affairs, Great Plains Area Office. Also with us is Jesse Taken Alive representing the Standing Rock Sioux Tribe, and Elaine McLaughlin also speaking on behalf of members of the Standing Rock Sioux Tribe.

This is a distinguished panel. I appreciate very much your willingness to be here to testify. Welcome, Chairman Murphy. Again, I want to salute you for the leadership that we have demonstrated on this issue and so many others as well. We would not be here today had it not been for your vigorous representation of the people here and your strong desire to solve this problem. Chairman Murphy. Oh, we are now being joined by Congressman Pomeroy. Welcome. Glad you could be here, as well. Thank you so much, Congressman Pomeroy, who has taken an active interest in this issue and so many others affecting the members of the Standing Rock Tribe. Would you like to make a—

Mr. POMEROY. No; the chairman can go ahead and start, and I might make some observations as we go through the morning.

Mr. MURPHY. You're welcome to, Congressman Pomeroy.

Senator CONRAD. I think he's glad to have you go ahead.

STATEMENT OF CHARLES W. MURPHY, CHAIRMAN, STANDING ROCK SIOUX TRIBE

Mr. MURPHY. Okay. Thank you, Senator Kent Conrad. I want to thank Mr. Slonaker—I hope I don't wreck your name all to heck—the regional director, Mrs. Jones; Mr. Taken Alive, previous chairman of the Standing Rock Sioux Tribe; Elaine McLaughlin, secretary of the tribe; and Congressman Earl Pomeroy, thank you again for being here with Senator Kent Conrad.

A few months ago we'd gone into your office and asked for a hearing because of the issues that we are having on Standing Rock. Particularly, we have over 13,000 enrolled members, plus there was about 1,700 enrolled members that are looking for their checks come December 15.

Mr. Slonaker, we have problems out here, very serious problems. These problems are with our enrolled members of the Standing Rock Sioux Tribe who depend on that check each year. Those checks are into the treasury by November 1. The BIA cuts that money for their leases and then into the treasury, but what's happening is that that money's not getting to our enrolled members. We have several members who had not received their checks as of today. Why? I do not know why because everybody puts the blame on everybody else.

The BIA—we can't call the BIA anymore because they're not responsible for IIM accounts. I receive daily calls on why our people

are not getting their moneys, and our people are suffering because of this, but I'm going to tell you one example. One of my enrolled members called the office of IIM accounts. Well, anyway, there's three different phone—or there's one phone number that is sent out to our people. It's that 188 number. Everybody's got the number.

Well, anyway, this lady called. Well, anyway, she ended up in Oklahoma, and I guess you have an employee by the name of Helen Cooper. This lady stated that, "Why don't you save your money so you can buy school clothes?"

These are the type of issues that are happening that you don't hear about. I also told Kevin Gover about some of these issues also, along with Senator Kent Conrad. The tribal council even passed a resolution not to have these particular records taken out of here because it's so simple to have it here and that our people could work with these issues right here and get it done right now. We would not be having these hearings if this office would have been here today.

So with that, Senator, I want to thank you for allowing me to say these words to Mr. Slonaker regarding these issues and hoping that yourself and Congressman Earl Pomeroy will get these things straightened out.

These are only some of the issues that I am going to talk about. We have two other people that I was going to bring in to show you exactly that they did not bring—I mean, get their moneys yet as of today, and it's sad, it really is, because a lot of them are on fixed incomes and they depend on this. These individuals will be here later on, but I'm going to allow them 5 minutes of my time. Thank you.

[Prepared statement of Mr. Murphy appears in appendix.]

Senator CONRAD. Thank you so much, Chairman Murphy. Our meetings in Washington and our discussions here have made clear the seriousness of this problem. I take this very seriously. We've got people who are in strained circumstances to begin with, who are very dependent on receiving their payments. It is their money, they're very dependent on receiving those payments on a timely basis, and it's not occurring, and it's just not acceptable to have a bureaucratic runaround. We need to get this problem solved, and we need to get it solved quickly so that people get the payments that are owed to them. It is their money. It's not the government's money. It's their money, and they ought to get this money on a timely basis. We're going to—yes, Chairman Murphy.

Mr. MURPHY. Senator, there's one more thing that I would like to mention. Including the estates that we have been handling here at the Bureau also that are sent to Albuquerque are not being processed. I have documents—I mean, documents here from family members that these here estates had not been processed. They're over 6 months, 7 months, and I'm sure, Senator, that if we have the people that actually work in those offices right here asking them questions, they'll tell you the facts, and I think that we need to go right into that office and take a look at those records really and not hide anything from yourself, Senator, because these—this paperwork is not being done.

Senator CONRAD. All right. I think I'm going to—go ahead.

**STATEMENT OF HON. EARL POMEROY, U.S. REPRESENTATIVE
FROM NORTH DAKOTA**

Mr. POMEROY. I'm going to make some observations by the nature of an opening statement but also in response to what you've said, Mr. Chairman. I want to begin by congratulating your work and commending Senator Conrad for bringing this hearing to Fort Yates. We're grateful that Tom Slonaker came to be with us. I think that there's no better way to address problems and meet them head-on and talk openly and try and work through what has occurred.

Obviously, relative to the Department of the Interior's handling of trust fund moneys it has been a complete breakdown in performance and public trust flowing from that. It's a component of those responsibilities for legal action against the cabinet secretary literally without precedent, and all—it has, I think, brought about a situation where we just have to move from here to build systems that work, that have the confidence of people that depend upon the moneys flowing. It is really unconscionable for the Federal Government to undertake trust responsibilities of other people's moneys and then so bungle the performance of that responsibility when people don't know what they're going to get, when they're going to get it. When you consider that those individuals that you mentioned, Mr. Chairman, are on fixed income and so desperately need that money, it makes that shameful result all the more unacceptable.

Throughout this hearing I'll be interested in having evidences of the problem and its impact on individuals going forward, but beyond that, rather than dwell on the problem or look for solutions that aren't going to happen, I am much more interested in trying to chart from here this morning what can be done and how do we proceed to get this put right. So, Senator Conrad, Mr. Chairman for today, I really commend you for this hearing and thank you for allowing me to participate.

Senator CONRAD. Thank you, Congressman Pomeroy. Now we're going to go to Elaine McLaughlin, secretary of the Standing Rock Sioux Tribe, for her testimony. Welcome, Elaine. It is good to always have you at these hearings. You are such persuasive and articulate voice and somebody who is also solution-oriented. So welcome.

**STATEMENT OF ELAINE McLAUGHLIN, SECRETARY, STANDING
ROCK SIOUX TRIBE**

Ms. McLAUGHLIN. Thank you, Senator, Congressman Pomeroy. It's good to see you today. I'm just going to give you a short overview of what I have here in front of me. I've also attached personal documents relative to my own IIM account for your information, and what I'm going to do is to give you a short story, if you will, about the history of my own IIM account so that you have an idea of what's happening. I've had two major issues to deal with on IIM accounts, and that's over and above the untimeliness of the payouts of lease income. The first is the issue of interest income assessed to my trust funds account. Because the trust funds are not paid out quickly, money sits in an account for anywhere from 5 days to 1 year. During that time interest is assessed or added to those ac-

counts and we're paid those moneys. Lo and behold, at the end of the area I get a 1099 of interest income document, which is taxable income, which to me really irritates me. This is trust moneys, and through no fault of my own I am assessed taxes on moneys that are added to my account.

If that is going to happen and you let me manage my money, let me do what with it so that I can earn income off of it in a better manner. There have been times where these assessments have put me into a higher income tax bracket because of my husband's business. So we've paid over and above my lease income totally back to the U.S. Government.

I would suggest or implore both of you to introduce legislation that would no longer allow for interest income to be assessed on those IIM accounts or any trust income for that matter. I understand that it's through legislative means that this system was set up. I would request that you go and repeal that part of the authorizing legislation.

Second, last fall—or I should say last winter I received correspondence from the BIA irrigation and power liaison and compliance section. It's the irrigation department of the BIA. I received correspondence stating that my trust incomes would be used to offset the operation and maintenance of irrigation projects that are on my lands. I have land in Fort Peck, MT. I am at the edge of the irrigation project, but because I am there, my account will be assessed those costs of that total irrigation project. I will be part of that whole system.

Now, when you become a part of the irrigation projects, your leases go up. Your lease income goes up, but chances are I'm not going to see that lease income if I'm assessed operation and maintenance cost, and chances are I'm going to lose more income by those costs, and to me, that is not the proper usage of our moneys or any Bureau moneys, for that matter, when we go and upgrade, if you will, our lands. We're defeating our purpose when we charge our people operation and maintenance, and again, I understand this is through some kind of legislation with BOR and BIA and whoever else, but those legislative processes I think need to be repealed.

Last—and again I need to restate what Chairman Murphy has said and probably what Councilman Taken Alive is going to say, is that encoding—the coding of the accounts here for IIM to me must be done here. It is far much easier for our people to go to the local IIM people and ask questions face-to-face as opposed to over the telephone. I've been talked to very rudely, I've been snipped at, I've been told you're getting your income when it gets here, so don't bother us. I have no way of tracking my income whatsoever. I used to get annual statements—I shouldn't say annual—I should say monthly statements of what goes in and out of my account. I don't get those anymore. So I have no knowledge of what kind of lease money is being paid in, but that encoding must be done here.

We have capable people that can do that here, and every reservation has good, qualified people to have those encodings done there, and it would be much more simpler, much more quick to get the turnaround time.

So with that I'm not going to say any more. From what I understand, there's been documentation submitted for additional information for you and your committee, and like I said, I have attached my letters and my forms—my IRS forms. I'm also being requested to submit for a taxpayer identification number and certification. It's a W-9 from IRS that will be attached to my trust funds account, which is very interesting, nontaxable income, and it's interesting also to note, too, that with the irrigation systems I got a letter about two weeks later that said, we made a mistake, disregard the letter. Then about 1 month later I get another letter saying, well, you have to send these papers back. So it's like, yes, you do, no, you don't. You know, there needs to be a better system in place.

But by and large, legislation needs to be developed to correct these. Thank you.

[Prepared statement of Ms. McLaughlin appears in appendix.]

Senator CONRAD. Thank you so much, Elaine, for being here and for your testimony and also for the documents that you have provided the committee.

Next, we'll hear from Jesse Taken Alive, the former chairman of the Standing Rock Sioux Tribe and currently a councilman. Welcome, Jesse. Always good to see you. Please proceed.

STATEMENT OF JESSE TAKEN ALIVE, COUNCILMAN, STANDING ROCK SIOUX TRIBE

Mr. TAKEN ALIVE. [Remarks given in Native tongue.] I would like to thank you, Namanishui, and Mr. Pomeroy—the one who never turns around, Senator Conrad, for coming to Standing Rock today to talk about the laws and policies by—that in large part have created problems for us in Indian country, and today, of course, those problems we're talking about affect the Lakota and Dakota people in Standing Rock.

I think it's important to talk about the brief history of this process and why we're here today, September 1, 2000. I'll begin by saying that in article VI of the 1868 treaty—that article refers to a Sioux land book that's to be kept here on the reservation and it's to be kept by the agent in his office. Now you may or may not know that on Standing Rock we've taken liberty through our council action, through our tribal court system to prevent some of this information from being sent to Albuquerque. Now I know that might be something that would be brought up and said that this is probably why these problems are occurring, but it's important to understand that we are doing our best in a respectable way to uphold the treaty because that's where it's originated from.

It's similar to giving somebody the keys but not allowing them to drive their own car. You know, I'll use that analogy for simplicity purposes. Essentially, that's what's going on here. We have the keys, we have the treaties, documents that we both agreed to—our governments, our people have agreed to, but we don't have the mechanism, and if we do, it's got flat tires. The car has flat tires.

Senator CONRAD. Congressman Pomeroy's got a car like that.

Mr. TAKEN ALIVE. But it's got flat tires, we're not going anyplace, and we're becoming frustrated and frustrated. As the side part to this, I'd just like to quote some language from the treaty. It talks about—article VI talks about how lands are going to be dispensed,

on and on and on, and it says, "And it's further stipulated that any male Indians over 18 years of age of any band or tribe that is or shall hereafter become a party to this treaty shall be entitled to receive from the United States a patent for 160 acres of land." So, again, it's part of the history of where these payments are coming to our members, the heirs of these individuals and their grandparents and ancestors.

It goes on to say, "Any Indian or Indians receiving a patent for land under the foregoing provisions shall thereby become a citizen of the United States." I haven't gotten my 160 acres. At some point in time later in other hearings, which I hope that you'll be able to experience, Senator Conrad and Congressman Pomeroy, we can talk about some of the extreme essentials of these treaties. A lot of us obviously because of age and time haven't got 160 acres. So does that make us citizens of the country or not, but at a later time we can take that up.

I would like to exercise, Senator, the two-week time period where the record will be open for comments, and I will be honored and will be submitting my comments to your office there or to the committee, but let me begin by saying that the special trustee named has been indeed special to us. As I said earlier, it's caused a lot of problems for us. The word "trust" has been diminished to maybe where we just have a capital T in that letter. I know I'm using a lot of metaphors and analogies today simply to try to outline in a most respectable way the frustration experienced by our people and I'm certain in other parts of Indian country to this mechanism that has now been put in place.

The process as I would recommend—now I know you've heard a lot of concerns, a lot of frustration, a lot of problems. What I would respectfully recommend, Senator, is to provide some language that would provide waivers for us from Standing Rock in our participation in this process because it's not working. What we have in place allowed two staff from the IIM local agency from our realty department, from our short-term credit loan department and a land operations department to process in 3 days approximately 1200 loans and send out balances in the credit form of lease checks or lands—money from lands that are rented.

Right now in numbers that I learned of two days ago there are still 125 people who haven't gotten their lease checks from land they are renting because of this process. Now, again, please, if you could, provide a waiver that will allow us to put something or restore something that was working, that was good and that was simple for our people that ensured trust.

By the end of January 31st of this year, Senator, only one-half of this process was completed or only approximately 6,000 checks were processed by the end of January 31st. So we've seen some movement in it, but I know you couldn't get those 125 people to believe that, who are still waiting for their checks as of August 30. That's not right by any form.

It also brings to the question of this relationship that we have as indigenous people with the Federal Government the trust relationship, the fiduciary responsibility, on and on, how—in ways we could enhance this government-to-government relationship. Right now a concern for us is the privatization of this process. This is

probably why a lot of our people are getting the rude responses as they are.

In all due respect to individuals who are giving those responses—I don't even know who they are if I saw them sitting in the room today—but it's because of that very fact. They don't know us, as well. When we have these processes at a local level, our own local people know our own people that come into the office. So that's trust. That's expediency, that's respect. Right now it's not going on, and I'm not, of course, judging in any fashion or form the people in Albuquerque who are—it's been reported to us who are giving rude comments and whatnot to our people. I would probably be just as frustrated if their land books were up here and I was trying to figure out who they were.

But in short, at least in the interim till the committee can come up with the language for this waiver, please, if you could put the necessary staff and dollars back to our local agency so that way we won't have to deal with the segregated duties problems that are there. At least that's what the office of trust management tells us. We can't do that locally because the auditors are pointing out that as an audit finding the segregation duties aren't doable. Well, it will be doable if we have adequate staff and resources to do these things locally. We were doing them locally.

The other question I would ask, and I hope we can hear a response from Mr. Slonaker, is that please show us other audit findings that we can take a look at and that we can locally address because we want to be a sound—fiscally sound when we get our audit reports, and we've been very proud and humble to say that at Standing Rock we have been good at doing that because of our local resources.

Now, some of the other concerns that we have are the delays. The name changes. Some of our people obviously change their name, and in most cases it's women who get married, and this is a cumbersome process. When we hear reports of this having to be faxed back and forth, it's cumbersome. A one-day visit to our local office could correct this, but now it means faxing numerous upon numerous pages of documentation to make this change. Added to that, of course, is when they send a driver's license copy down, they are questioning that, and I probably would, too.

So this is why again, please, bring—in the interim as you work on the waiver changes or languages to offer waivers, please bring these resources back to us. We know how to do this. Our people were happy when they received their money from their lands that they rent. The address changes—Chairman Murphy and my colleague, Secretary McLaughlin, commented about the concerns and frustration with the 800 number. We know that was done in good faith, but the good faith has been again diminished in this whole process of using that 800 number.

We've been given assurances from Mr. Dean Webb as he met with our tribal government in recent months. However, these changes, these frustrations continue to occur. So the solution we respectfully ask again is waivers, and, of course, in the interim to move some of those moneys to reprogram it back to our local agencies, but we do know that a solicitor that works with the office of trust management has told us that these are contractible duties,

but again language changes in our law, I know, could make these a doable thing.

So, again, we know how to do these, Senator. In this era of government-to-government relationships we know we're all talking about respect, respect for what we've done. We know we can do it, we've proven it to ourselves. So this is what I would expound on today, is for allowing in any way for us to do these locally. We have hundreds of young people going off to colleges and hundreds of them earning degrees in various institutions in economics, on and on, could continue this process and build it locally.

Last point I would like to make, and again, I really appreciate this opportunity to visit with you in this setting at a hearing. I just want to read for you, Senator and Congressman Pomeroy, an article out of The Bismarck Tribune that was printed last year—late last year sometime. It says,

Clinton promises to work with tribes to improve communication, quality of life for American Indians. President Clinton pledged Thursday to work harder to create a better way of live for American Indians, saying treaties with the United States have unfairly rendered them poor and powerless. "You got a bad deal," Clinton said. In a speech to American Indians, who gave \$350,000 to Democratic Congressional Candidates, Clinton cast them as victims of a negligent United States government that took land and mineral rights in return for little. He promised to remedy that. Finally, Clinton said, "This is a country that's supposed to be founded on equal opportunity, equal justice, mutual respect and everybody having a chance."

This is simply what we're asking for, and again, I really appreciate you taking this time out, Senator, Congressman Pomeroy, and I do hope that as this hearing progresses this morning, that we'll be able to hear from the superintendent, Mr. Bodin, the superintendent, I believe, from Three Affiliated Tribes is here, if you could hear from them some of these horror stories, but I'm recommending a fix today for this, an interim for this to all be returned to our local agencies. Thank you very much.

Senator CONRAD. Thank you so much, Jesse, former Chairman Taken Alive. I really have no better friends here than the three who have testified this morning, Chairman Charles Murphy, who we have worked with many, many years and who I have great respect for; Elaine McLaughlin, who has been such a positive voice in terms of addressing problems on the reservation and off the reservation; and Jesse Taken Alive, our former chairman and somebody who I count as a personal friend. Thank you so much for the testimony here today from the three of you. I think it's been excellent, and I think it lays it out very clearly.

We've got a problem and it's a serious problem, and I'm not going to accept any more delays. This has got to be solved. We've got to work this out, and 30 days from now I want to have another meeting, and I want to know that we have got in place a structure to solve this problem. I know that everything may not be accomplished in 30 days, but I want to know 30 days from now that we have an agreed-upon structure to solve these problems.

Next we're going to hear from Cora Jones, the regional director of the BIA. Welcome. Thank you so much for being here.

**STATEMENT OF CORA JONES, REGIONAL DIRECTOR,
ABERDEEN AREA OFFICE, BUREAU OF INDIAN AFFAIRS**

Ms. JONES. Thank you, Senator. I want to say good morning to you, to Congressman Pomeroy, to Chairman Murphy, Jesse Taken Alive, Elaine McLaughlin, and Mr. Slonaker, as well as members of the audience. I am the regional director of the Great Plains Regional Office for the Bureau of Indian Affairs, and in addition to Larry Bodin, who accompanied me here today, I also have the superintendent of the Rosebud Agency with me, Larry Burr, and I did have him on detail up to the Fort Berthold Reservation up until 2 weeks ago, and I also have the regional realty officer with me, and I also have the plant manager for our land titles and records office with me because I felt like it was very important that we have our—the Bureau's resident experts to be able to answer whatever questions that you may have on the Bureau's side of the process.

Senator CONRAD. I thank you, Cora Jones, for doing that.

Ms. JONES. I am pleased to be here to present testimony on behalf of the BIA concerning the process delays associated with the IIM accounts.

The Department of the Interior, as you well know, is the primary agency for the Federal Government charged with the responsibility of administering Indian policy and to fulfill the Bureau's trust responsibility for American Indian tribes, Alaska Native villages, Indian individual Indians. And federal policy and trust responsibility are derived from special legal and political relationships between American Indians and the Federal Government.

And, of course, the BIA carries out responsibilities to tribes and individual American Indians in managing and administering trust assets for the exclusive benefit for tribal and individual Indian beneficiaries. The BIA is responsible for managing natural resources, trust assets and collecting—and I'd like to emphasize the collecting—proceeds from the resources on behalf of the tribes and individual Indians from leases or sales of natural resources and a variety of other trust property transactions. In the case of individual Indians, funds are deposited in trust accounts and disbursed to account holders or to a third party as authorized by the account holders or the responsible party.

Historically, the Office of Trust Funds Management was within the BIA and maintained the IIM accounts. However, in 1996, the Office of Trust Funds Management was transferred away from the Bureau to the Office of the Special Trustee pursuant to Public Law 104-134 and Secretarial order 3197. This action established a separate line of authority over the staff maintaining IIM accounts at the local agency office. The agency superintendent no longer supervises the local agency OTFM staff and the—or the IIM office or the bank, as many people call it.

OTFM has fully implemented a new trust fund system known as TFAS or Trust Funds Accounting System. The delay in payments on the local level wasn't due to the use of the new trust fund system, but this changed. It removed the data entry capability from the local level to a centralized data entry process located in Albuquerque, and with that, that's when that move was made where we no longer had control of the local encoding process, and this cen-

tralized data entry created a change to the processing of these documents, and that's where we had a major division.

The local OTFM acquires the documentation from the Bureau to support the transactions and prepare code sheets. The local OTFM staff then faxes all the underlying documents, including the code sheets, to OTFM in Albuquerque, and the Albuquerque OTFM then reviews all the documents and encodes the information into TFAS, and this process is to ensure consistency and accountability.

We believe that the implementation of the Bureau's Trust Asset and Accounting Management System, or TAAMS, will resolve the processing delays. A fully implemented TAAMS should provide for more efficient coordination between BIA and OTFM.

That coordination can only be accomplished, however, by clearly defined duties and lines of authority. A joint BIA/OTFM team is developing clear, consistent nationwide instructions on what documentation is required for processing these payments. Due to the complexity and diversity of transactions which our respective staffs process, this interagency procedures handbook, however, won't be completed for another four or five months, but we believe that the updated procedures will help to alleviate late payments and delays which have been occurring at the field level.

And, Senator and Congressman Pomeroy, I want you to know that I did bring copies of the draft documents that we have. I had my realty officer bring those up to the table to you, and it spells out through a chart flowing on each one of these processes that we have to deal with, and it clearly delineates between the Bureau responsibilities and OTFM responsibilities. So we're hoping that once that gets put in place, it's going to help hurry up the process.

Senator CONRAD. When will that be done?

Ms. JONES. We're hoping within the next 4 or 5 months. And one of the team members—or actually, two of the team members that were involved in developing that entire system are here, and one is Larry Burr, our superintendent out of Rosebud, and Dean Webb, our OTFM manager—or chief in Aberdeen, and I also had Jim Geffre, my land titles and records plant manager, bring a copy of the TSR along, and that's a Title Status Report, and, Jim, I'd like to have you give that to the Senator. We only brought one. I'm sorry. I didn't know Congressman Pomeroy was going to be here, but it shows the fractionated—a 320-acre tract at Standing Rock, and it shows the entire fractionation on that, and it shows you a breakout down to the decimal point and these huge fractionations that we have to deal with, and we did retract that and we took out the names and account numbers, but, you know, this will clearly show you some of the problems that we have to deal with when dealing with these processes.

I'd like to change gears here a little bit, but currently the Standing Rock Agency has nine people that are managing and processing trust transactions, and trust staffing at this agency as well as all the agencies in the Great Plains Region and throughout the BIA has not increased despite the growth caused by fractionation of land ownership, the increased accountability required by trust reform, and also the individual Indians' increasing activity in trust-related transactions. Our agency staff are funded under the BIA's priority allocations. And I would really like to ask for your support

for the President's Fiscal Year 2001 budget request for the BIA which would provide additional funding and resources that are critically needed for these trust resources and trust services, which include trust real estate services, real estate appraisals and probates, and I'd ask for that support as our budget nears the final passage in Congress.

We believe that with modern trust accounting systems and sufficient personnel and training resources to handle the day-to-day operations, our trust responsibilities to the account holders would be fully achieved. And, again, I want to thank you for allowing me to provide testimony on such an important issue, and I'd be happy to answer any questions that you may have.

[Prepared statement of Ms. Jones appears in appendix.]

Senator CONRAD. Thank you very much. Now we will hear from Mr. Slonaker, the special trustee for American Indians from the Department of the Interior. Again, thank you, Tom, very much for being here, and if you could give us your view for where we are and how we resolve these problems.

STATEMENT OF THOMAS SLONAKER, SPECIAL TRUSTEE FOR AMERICAN INDIANS, DEPARTMENT OF THE INTERIOR

Mr. SLONAKER. I'm going to stand up because I feel like I'm kind of blocked over here from some of the folks. I'd like my written testimony entered into the record, Senator, if you would.

Senator CONRAD. That would be done.

Mr. SLONAKER. And I'll dispense with my written remarks and just let me make a few off-the-top-of-my-head remarks based on what I've just heard. If you'd like to see my statement, it's down in the pile somewhere.

I was confirmed—I want to give you just a little background as Special Trustee, if you'll permit me, because I think it's important to understand the role that I play and enjoy playing. I was confirmed by the U.S. Senate about 3 months ago as the second Special Trustee for American Indians. Paul Homan was the first, as you may recall.

This is a job that they—the White House employed a head hunter, an executive search firm, because the 1994 act requires that the job have somebody who has experience with large organizations and trust administration and investment management, and so after about a 1-year search I emerged, and I must tell you it's an extremely challenging managing job, but it's been a lot of fun. I was going to hope that I could say that you were the first reservation that I was on since I was confirmed, but, unfortunately, I have to tell you that I've been to another one in the meantime, but I need to get around to Indian country, and I'm very pleased and, Chairman Murphy, thank you very much for your hospitality while we're here.

This is, I should tell you, the effort that's being undertaken, known as trust improvement or sometimes the high level implementation plan, represents one of the largest trust departments in the United States. If you take the 56 million acres that are under trust and put just a conservative, reasonable valuation on them and then add in the 3-billion-plus liquid assets, you have something that puts us in the ranks of a very large trust department.

On this reservation alone there are 4,800 accounts, individual accounts, with about three-quarters of a million dollars in funds, and another 1,220 special accounts, as they are called, all attributable to individuals, for another 2.1 million in assets. So there's a considerable amount of money and a considerable amount of activity right here, needless to say.

My role as special trustee under the 1994 act is to protect and preserve those assets. But the role goes beyond that. The role is—and you're hearing it here this morning—the role is to serve our clients. My clients are you folks, and that's the way the business has to be run. So all of these comments and all of these concerns are extremely valuable.

Over the last 1½ years three of my most senior people at different times have been here to work on these problems, and we finally need to get them solved. That's why I decided personally to come this time myself.

Let me say something about why the high level implementation plan, funded by Congress, is creating the kind of trust organization across Indian country that we have. The reason is that we can make much better delivery of services to the clients. Believe it or not, we can deliver checks a heck of a lot faster if we have some major accounting systems which have already been referred to and a system, as Cora mentioned, referred to as TAAMS, which is the system that actually keeps track of land—land titles and the leasing and all the leasing information that we need, to basically provide the input, the accounting system, to in turn take care of the updating of your account, provide information for you about your account and, of course, to pay out as you have directed those monies that are due.

So the TAAMS system is presently being deployed. In fact, I'm going to be in Billings next week and then 2 weeks after that—it's going to be my month for Billings, I guess—to be on the scene as the TAAMS deployment is taking place. It's actually already started. That is a major system which will make all of this—as Cora has already suggested—make all of this work.

There is also, I should tell you, a massive data cleanup effort all across Indian country. It's getting even bigger than we had envisioned in the initial stages, and we're hard at work in lots of locations to do that.

I want to mention one other thing. I know that—I think Chairman Murphy and at least one other individual brought up the issue of trust files on the—locally. As trustee I rely on those files. I have to make sure that what we do for an accounting is properly covered and the information is correct from the files. I think we can work something out to solve that problem. While I need access in a centralized place, I don't see any reason why we can't work something out that suits both parties here.

I probably should mention just in passing because—well, mainly because Kevin Gover asked me to mention it. Some of you probably know that the BIA has four new regulations—proposed regulations, I should say, out for a comment period which ends October 12. It went out under the Federal Register process. Those are four very important regulations that Kevin is anxious to get into place by the end of the year, after, he's heard all the comments and worked out

all the details across Indian country. So if you haven't either on a tribal or individual basis responded to that, I would strongly encourage you to do so because he's very open to making sure that we accommodate all the new ideas that we can.

Let me just end by saying that in the private sector where I've spent all of my life running trust organizations, you don't make any money unless you give good service to your clients. So I think it's very important that I hear all the concerns—I've heard many already—and then that we get back together. Cora and I have already talked about this and the Senator and I have talked about this: That we get back together as a smaller group and attempt to hammer out the details and really make the system as it's being constructed right now work as well as it possibly can, which it will work very well when it's finally in place.

The basic thing that's happening here, folks, is that this is like trying to put a new front tire on a car when it's moving down the street at 40 miles per hour. We have a trust organization—we've had a trust organization in Indian country for a long, long time, but to do things a little bit differently in the interest of providing better service to the clients is a wrenching exercise. What I'm hearing today are the issues that have come out of the transition to a little different way of doing things. It's really not all that radically new, but it's a different way of doing things, all of which has to end up serving the client as best we can.

So that's what I'm pledged to, and I'm very delighted to be here and you've been very hospitable and I appreciate it. Thank you for, also, outlining the problems. You've stolen a lot of my thunder, and I was very glad that you did, and I think Cora put her fingers right on the issues that need to be resolved. Thank you.

[Prepared statement of Mr. Slonaker appears in appendix.]

Senator CONRAD. Thank you very much. Thank you, Tom. Let me now go to the period that we've set aside for questions for the panelists from me and Congressman Pomeroy, and we've set aside 11:40 a.m. for this purpose, and I want to move quickly because we've got a lot to resolve here. I have a series of questions that have been presented to me that people would like to see asked of our panelists, and we will do that. Before we do, I'd like to get right to the heart of a series of questions and see what the responses of the panelists would be.

First of all, we've been informed here this morning by Jesse Taken Alive that there are 125 people who have not yet received their money. I would ask Tom: Is there a way—ask Tom and Cora: Is there a way that we can put on a special project to get these 125 resolved as quickly as possible? Tom, might you take that first?

Mr. SLONAKER. Yes; I think that's a pretty simple thing to address. For me at least what needs to be done, Senator, is for me to understand the 125 individual's issues so that I'm sure I know what the circumstances are. A lot of times this has to do with the timeliness of deposits being made, it has to do with documents being transferred, to make sure that as trustee I'm making the appropriate payments. So there could be a number of different factors in each case. We just need to see what—

Senator CONRAD. Can I ask you—and, Cora, I might ask you for a response on this, as well. I would like the two of you to each as-

sign somebody immediately, next week, to resolve these 125 as quickly as possible. Could you do that, Cora?

Ms. JONES. I would be more than happy to do that. As a matter of fact, I would identify Larry Bodin, the superintendent here at Standing Rock, to team lead his team here—his staff here at Standing Rock, and then as far as I know, you know, they've already pulled the documents together, they have transmitted those, so they are in Albuquerque. So I'm not real sure, you know, what we can do, but we will be happy to assist and work with you.

Senator CONRAD. Tom, could you assign somebody, as well, to this specifically so we can just as quickly as people get these—

Mr. SLONAKER. Yes; that's no problem. If they're already down there, we just need to see which ones we're talking about.

Senator CONRAD. All right. That's number one.

Elaine.

Ms. McLAUGHLIN. Senator, I guess my question is: Is it really going to happen because—

Senator CONRAD. Well, let's—I assure you it's going to happen. I've just got a commitment here, and I'm going to hold their feet to the fire and get it done, and if it doesn't get done, you hold my feet to the fire.

Ms. McLAUGHLIN. Right. Because they said this before.

Senator CONRAD. But they didn't say it on the record of our official hearing of the Indian Affairs Committee in front of me. I'm going to hold them responsible to get done what's been promised, and I'll tell you, I'm going to be a very unhappy U.S. Senator if this commitment is not kept. I'm confident it will be, but we'll be able to see very quickly whether or not this job is done. That's no. 1.

No. 2, on the records, the certification, I am wondering if in order to resolve this matter—and I'd direct this to Chairman Murphy and to Mr. Slonaker—would it be possible that the originals of the records remain here because of this lack of trust that exists but that we get a process to certify those records—certify copies of those records that could go to Albuquerque so this system gets completed? Would that be acceptable?

Mr. MURPHY. Senator, that will be acceptable. That will be acceptable.

Senator CONRAD. Well, that would be great. Tom, is that something—Mr. Slonaker, is that something that would be acceptable to you?

Mr. SLONAKER. I'm going to have to say I think so, Senator. As far as I'm concerned, I need to—these are Federal records, so I need to clear that part of it with the attorneys, but I don't really see why it couldn't be.

Senator CONRAD. Okay. It seems to me that would be a good interim resolution that you maintain the records here, you keep the originals so that you're confident the originals are maintained, that they don't wind up in an alleyway somewhere, but at the same time we get copies certified so that this processing can go more quickly.

Third question would be the following, and this would be directed to Mr. Slonaker: The request of the tribe, at least in part as I hear it, is for the encoding and other records processing to be done locally rather than to be moved to Albuquerque. What is—what is

the—what would be your reaction to that suggestion, that we be allowed to do that here?

Mr. SLONAKER. That's already in the plan. I mean, that's the way it's supposed to go. It just isn't there yet.

Senator CONRAD. And maybe you could describe that more fully.

Mr. SLONAKER. Well, we want the input of the data locally so it doesn't have to all be transmitted as it is right now, but that's a step that just hasn't been implemented yet.

Senator CONRAD. When will that be implemented?

Mr. SLONAKER. Offhand, Senator, I can't tell you for sure.

Senator CONRAD. Have you got some range?

Mr. SLONAKER. I think it's in the next 12 months, but I'm just not sure.

Senator CONRAD. Is that something you could report back to the committee on?

Mr. SLONAKER. I'm sorry?

Senator CONRAD. Is that something you could report back to the committee on when that might be done.

Mr. SLONAKER. Sure.

Senator CONRAD. Could you—I'd like to go to another series of questions that have been submitted because I think they're important.

Fourth question would be to Mr. Slonaker, our trustee, and to Cora Jones from the BIA, and to Chairman Murphy. Would it be possible for a meeting to be held within the next 30 days to resolve as completely as possible the outstanding issues with respect to the handling of these funds and that a report would be made to this committee on the outcome of that meeting? And I'd start with Mr. Slonaker. Would it be possible from your standpoint to hold a meeting within the next 30 days, for example, in Aberdeen—in the Aberdeen office or—

Mr. SLONAKER. Yes, Senator; in fact, I suggested that, so I think we could do that. You okay with that, Cora?

Senator CONRAD. Cora, would that work for you?

Ms. JONES. Yes, sir; we'll be happy to set that up and do whatever is possible.

Senator CONRAD. And, Chairman Murphy, would that be acceptable to you, and I would be counting on you to advise me of the acceptability of what is resolved there. Would it work in your schedule, Mr. Chairman?

Mr. MURPHY. Yes; it will, Senator, and we'll be willing to host it at the reservation here or else Prairie Knights.

Senator CONRAD. All right. Well, that's important, as well.

Mr. MURPHY. Senator, we just have one comment.

Senator CONRAD. Yes.

Mr. TAKEN ALIVE. I appreciate the timeliness because, Senator, we have a Short-term Loan Program with the Standing Rock Sioux Tribe. A lot of this has been backlogged, and it's going to hold up future lease payments which are coming up this fall. As well, we have a higher education loan grant program where landowners are willing to cosign these lease moneys so their relatives, their children, grandchildren can go off to college. That's being backlogged. So in 30 days, yes, you know, this—as clients—Mr. Slonaker needs to know this, that this is a tremendous backlog, and it's not fun.

He may be having fun dealing with these, but it's anything but fun for us here locally when we have to see them people that aren't able to go to college because they can't get a loan grant. That's not fun.

Senator CONRAD. No; I think—and I understand Mr. Slonaker is really referring to the fun of the challenge. Here's a man that took this job 3 months ago. He's walked into a briar patch, you know, and, number one, I respect him for taking this job because this is a tough job, but this is a man with a background that I respect. I've looked into this man's background. I have confidence in this man. I have confidence in the integrity of this man. I think he is going to do more in the next 9 months than we have seen in the last 10 years, and I look at his background, his record of accomplishment and the people who have told me that this is a man whose word you can trust. I am so tired of dealing with people that just make excuses. I'll tell you, in my 2 hours with this man this morning, I heard more answers to questions than I have gotten in the last year. So I have confidence in this man to resolve this, and I appreciate very much the fact he came here today and that he's made the commitments he has.

Mr. SLONAKER. Senator, can I go back to something? Thank you for the comments, by the way. Would you mind repeating the loan programs that you're talking about? I just want to be sure I'm clear.

Mr. TAKEN ALIVE. They're local programs called the short-term loan program, for one, where members can make a loan based on their annual lease income. The other one is the Standing Rock higher education loan grant program that's used to enhance the budgets for students who are going to college on and off the reservation.

Mr. SLONAKER. Thank you.

Senator CONRAD. All right. Thank you so much for that description. I'll tell you, honestly, I feel we've made more progress in the last one-half hour than I've seen made on this issue in a very long time, but that isn't good enough. What is going to matter here to the people who are in this audience, who rely on these payments, and what's going to matter to me and to Congressman Pomeroy and Senator Dorgan and to the chairman of this committee is that these problems get solved. No talk, no excuses. That they're solved. Because when I come back here, I want to hear that people got paid, and I want to hear that we've got in place a structure that is going to ensure that people get the money that is theirs and they get it on a timely basis, and we're not going to accept any excuses and we're not going to accept any finger pointing. This job has got to get done.

Let me ask, if I could, to have Mr. Slonaker tell us—he has got a wealth of experience at managing large pools of money for clients and accounting for those funds. Could you just briefly describe the process, the structure that's being created and why you're confident that this will work better than what has been there in the past?

Mr. SLONAKER. Sure. Be glad to. The secret to doing this well, which means doing the best thing for your clients, your beneficiaries, is having a common system or as common as we can make them across Indian country. It is difficult and very often inefficient

in terms of time spent and money spent if we have a different practice of entering codes, for example, coding files and that sort of thing in every agency from place to place. So one of the underlying tenets of the high level implementation plan was exactly that which you would want to put in place in order to deliver services better, and that is to find the very best systems to do your accounting so it could be done rapidly and accurately with as little error as possible, and also to find the best system that you could to account for, keep track of land title and all the lease payments and all of those details that go into that part of it.

The so-called TAAMS system does the latter. The so-called TFAS system does the former. TFAS is up and running, as I mentioned before, I think. It's a modern-day trust accounting system that I used actually when I was in my professional career, and I was happy to see it was in place—or about to go into place when I was confirmed.

The TAAMS system is a unique system to Indian country, it's unique to the United States. It's built on a prototype of oil drilling, which has many of the same characteristics. The consulting firm that is doing all the software design actually is in the business of designing systems such as that in oil country. That system software is largely—in fact, I would say it's really 99 percent done. The major problem we've got to deal with, as I mentioned before, is making sure that we get information input into the systems appropriately, and most importantly, we get the file cleanup done so that we have accurate information on all of our accounts, all of our leases, all of our land titles, all of our probates. Probate is another major area that we have a lot of work going on, as Cora well knows.

And so the end result of all this is that clients should have—beneficiaries should have an accurate file for their account with all the information that we need for credit purposes if there is any kind of a credit program involved, any entitlements, any payment instructions, all the vital information that goes in to what we often refer to as file jackets. We need to make sure that those are cleaned up and accurate, and once that's running, Senator, there's no reason why this can't be as efficient a trust organization, if you will, as J.P. Morgan has or Wells Fargo, where I used to work, has or anyplace else. There is no reason it can't happen.

Senator CONRAD. And would it be possible to put this information on line so that if somebody wanted information instead of waiting for a monthly account, they'd be able to get it any time of any day in the tribal office or with a computer at a school or with a computer at a place of work or computer at home—

Mr. SLONAKER. Yes.

Senator CONRAD [continuing]. Or a computer anyplace?

Mr. SLONAKER. Some of that's available right now, but clearly what you're getting at is the ability of an individual account holder going directly to, if not a local person to get information, perhaps even going directly to a work station in the local office to get the information. Absolutely.

Senator CONRAD. And is that something that is intended to be available?

Mr. SLONAKER. Yes.

Senator CONRAD. And have you got any timeline on when that might be?

Mr. SLONAKER. No; we haven't. We're getting to that as fast as possible. We have such large issues with probate and data cleanup, as well as the TAAMS system itself, that we've had to put them as the highest priority.

Senator CONRAD. Congressman Pomeroy, and then we're going to open it up—if I could just indicate, when Congressman Pomeroy has concluded his questions, we would open it up to the audience.

Mr. POMEROY. Mr. Slonaker, I would echo Senator Conrad's comments about our very favorable reaction to your extensive trust administration background and am pleased that someone with that kind of experience and knowledge of systems would come forward at a time when this system needs to be straightened up in such dramatic fashion. The present interface between someone with an account and a system seems to be this 888 number. Now, will that change to more of a local interface when you get local encoding?

Mr. SLONAKER. The intent is to have it available both ways—actually three different ways. One is the 888 number, one is the local office, and one which we just spoke of, which is further down the line, is the access through a web site. I think from what I'm hearing today I need to ask some hard questions about our customer service on the help line. I don't know why, but apparently it's not helping people up here to the extent that it's helping other parts of Indian country. So we just need to get to the bottom of that.

Mr. POMEROY. I think based on what I've seen in terms of service center administration generally, I mean, you can have uneven performance even depending upon the individual on the phone. So it's just a matter of oversight, although issues have been raised about busy signals, rude service, no service, and I think that your attention in those areas—maybe a report back as part of your report back to the committee would be helpful on that particular issue.

Mr. SLONAKER. Getting uniformity of service is a major task, but you have to have it, you have to get there. Be glad to.

Mr. POMEROY. Thank you.

Senator CONRAD. Could I go back to the question of encoding locally, Tom, because this is something that the tribal leadership has made very clear they would like to accomplish, and I must say it's not completely clear to me what the plan is. You indicated, as I heard you say it, that encoding would be done locally at some point. Is that a correct conclusion?

Mr. SLONAKER. Yes; I just don't know the time-line.

Senator CONRAD. Could you tell us a little more about how that's designed to come about? Why—if the office is in Albuquerque and right now encoding, as I understand it, is being done there, what would the process be to reestablish it locally?

Mr. SLONAKER. Well, there's some software work you have to do, but basically it's getting work stations and people trained all over Indian country to get that done. It's really just—there's nothing magical about it. It's just getting it done. It's a large job.

Senator CONRAD. But that is the—just so we're absolutely clear, that is the plan, to have the encoding done locally?

Mr. SLONAKER. Eventually, yes.

Senator CONRAD. And do you have any timeline on that?

Mr. SLONAKER. No, sir; as I said, I think it's going to be in the next year, but I don't want to be pinned down because I just don't know offhand. I don't want to give you an answer I can't support.

Senator CONRAD. All right. All right. Could you get us an answer to that question that could be in the official record of the committee?

Mr. SLONAKER. Yes.

Senator CONRAD. Congressman?

Mr. POMEROY. Just one, the—I'm sorry, Senator. Thank you for allowing me to follow up on that question. So the key to getting uniform quality assurance across this vast and varied system is common—a common, reliable infrastructure—systems infrastructure, not encoding at one site. That can still occur on the local reservations but to bring the uniformity and quality of assurance through the central system.

Mr. SLONAKER. Sure. This—you know, candidly, there's no difference between this and the organization I used to be with, which was a large, regional western bank trust department. We had branches and banks all over 13 States, and basically all of them had the capability of inputting to our central file system directly with certain kinds of quality control, of course, but by the same token, they could read out the files themselves. So you stop the transferring of a lot of literature.

I would say, too, in all fairness that the so-called faxing back and forth or faxing to Albuquerque a lot of material is actually a fairly simple process. I think we've got a little training to do probably at both ends of that process, just to make it a little bit more smooth, but oftentimes, for example, more gets faxed than needs to be faxed. There are three stages of quality control that we have built into Albuquerque so that in the final analysis I can say, yes, indeed, x dollars need to be paid out to y person and have that properly verified. So that process actually can work, but the ability to, through the computer, work directly from the local office is obviously the long-term goal.

Senator CONRAD. Well, that's the best news I've heard yet.

Mr. SLONAKER. I think if I may say so, Senator—excuse me for busting in.

Senator CONRAD. Yes.

Mr. SLONAKER. I think there's a lot of—what sessions like this tell me is that there's a lot of education that we need to get out to help people understand where we're going.

Senator CONRAD. Yes, No; I think this has been very productive. Now we're going to open it up to those who are in the audience. If you'd come up to—Allen, why don't you start. Come up to the microphone, if you would, and because this is a formal U.S. Senate hearing, if you would identify yourself for the record and spell your name, that would help the transcriber. Thank you so much, Allen.

STATEMENT OF ALLEN WHITE LIGHTNING, ENROLLED MEMBER, STANDING ROCK NATION

Mr. WHITE LIGHTNING. Okay. A-l-l-e-n W-h-i-t-e L-i-g-h-t-n-i-n-g. My name is Allen White Lightning, and I'm an enrolled member of the Standing Rock Nation. Mr. Chairman, I appreciate you coming out here, and I've been sitting back there biting my tongue and

getting very upset with, first of all, you know, I didn't realize we had nine staff people in our IIM office. When I go in there, I only see two people working, and I think Cora needs to clarify where those—unless she's going to provide us seven more FTEs with money.

The other thing that I'm very not too pleased with is the idea of how our staff people locally are not given an opportunity to respond to questions that are asked by the tribal government, why they're given—you know, that the consultation executive order that the President signed off on and directed the federal agencies to respond and work with tribal governments. That's not happening here. Dean Webb sitting out there has told the staff people here not to respond to questions, not to provide information and not to even attend meetings. I think that's a total violation of what the President signed.

Having said that, you know, I would like to also indicate that, you know, there are questions, there are concerns. I mean, it's good Mr. Slonaker is sitting here and telling us how things are going to work out fine, how everything is going to be smoothed out, everything is going to work fine. You are not here, Cora is not here, Mr. Webb is not here. We have to deal with the people who come and talk to the tribal leadership, to talk to the superintendent. These are the people that we have to respond to, people who are not bilingual, people who can only communicate in our Native tongue, and as Mr. Taken Alive has indicated to you initially in speaking in our Native tongue, that's the language that we speak at home that people understand and are able to communicate. Mr. Slonaker, Mrs. Jones or Mr. Webb, I don't believe, can communicate directly to our people in that sense.

The other thing is, Mr. Chairman, when—this is only the beginning of a major problem that is going to be occurring. The strategic plan also says Mr. Slonaker is going to eventually take over the branch of land operations, branch of realty and leasing. When that happens, when our records on land are taken to Washington, DC, that is wrong. I don't believe the State of North Dakota that you represent in Congress when they—when the United States tells them, the State of North Dakota, take your land records and put them in Washington, DC, I don't think the State of North Dakota is going to allow that to happen, nor will you, and the same thing is made applicable here when our records are taken from us and put into Washington, DC, or Albuquerque. That it is not right. That is a call for fraud and to take our land and—

Senator CONRAD. Al, that's what we've worked out here today. These records are not going. The original of the records are going to stay here. They are not going to go to Albuquerque. They're going to stay right here. We just worked that out. So I want to be very clear. The records—

Mr. WHITE LIGHTNING. Let me ask you a question.

Senator CONRAD [continuing]. The regional records are going to stay here.

Mr. WHITE LIGHTNING. Okay. Does that include the branch of land operations and the branch of realty and the leasing—the records that are within those particular branches, as well, or just the financial—

Senator CONRAD. We've not addressed that question because this hearing is about the IIM accounts. This hearing is not about these other issues. This hearing is focused on the specific problem we've got right now, and we can have another hearing about what is planned to do in the future, but I'm saying to you with respect to the issue that's before this hearing, the IIM accounts, those records are not going anywhere. They're going to stay here.

Mr. WHITE LIGHTNING. My IIM account, the moneys that are put in there, are derived from the lands that I own that are taken care of by the branch of land operations, the branch of realty and are leased out.

Senator CONRAD. But at this moment those records are here.

Mr. WHITE LIGHTNING. Okay. Great. Mr. Chairman, can I—Mr. Taken Alive, Mr. Chairman, is it possible to allow—ask the superintendent to express to the committee what he experiences on a daily basis? I mean, this is—this is egregious when the bosses are telling our—the people who deal with them—you know, put a gag order on them and tell them not to say anything to this.

Senator CONRAD. As far as I'm concerned, Allen, you can ask any question you want to ask of anybody that's here. Any Government official you can ask any question you want to ask.

Mr. WHITE LIGHTNING. Without repercussions from their bosses?

Senator CONRAD. Without repercussions.

Mr. WHITE LIGHTNING. Okay. I'd like to ask Larry Bodin if he can provide the committee with an exact—a day, for example, of what happens here.

Senator CONRAD. That would be very helpful.

Mr. WHITE LIGHTNING. Thank you.

Senator CONRAD. Mr. Bodin, if you could come to the microphone, we would be happy to hear your answer to that question and any other thing that you think would be useful for the committee to know.

Ms. JONES. Senator, before Larry gets in, can I clarify that nine staff?

Senator CONRAD. Sure.

Ms. JONES. What I was doing is I switched gears from IIM to our side of the Bureau of Indian Affairs. I wanted to—going back with the nine staff, those are people within realty, within land operations. They're the ones that operate here at the Standing Rock Agency, and I was trying to get a plug in for our budget.

Senator CONRAD. You know, I understood that, and I—you're making the point that the nine—the reference to the nine people involves all of the people involved in these operations—

Ms. JONES. Yes.

Senator CONRAD. [continuing]. Not just the IIM accounts.

Ms. JONES. Exactly.

Senator CONRAD. All right. Mr. Bodin.

Mr. BODIN. Mr. Chairman, I was glad to hear that there wouldn't be any repercussions because I would like it point out some reality in this process. I am the superintendent of the Standing Rock Agency, and I've also been personally invited by Senator Nighthorse Campbell to have provided some testimony.

The—quickly, I would like to quickly point out some points to address toward computer systems, some points of Federal regs versus

implementation, and some examples of what I'm up against on a daily basis and my recommendations to improve the process.

Senator CONRAD. Okay.

**STATEMENT OF LARRY BODIN, STANDING ROCK AGENCY
SUPERINTENDENT, BUREAU OF INDIAN AFFAIRS**

Mr. BODIN. First of all, I want to make it very clear that as trustee for individual Indians, I truly feel that I should point out truthfully what I feel constitutes the individual Indians getting delayed checks in their hands. Now—but, first, I'd like to address the computer system—well, yes, computer system first.

We do have in the Great Plains Region an automated system already, which currently equates to the future TAAMS that's coming. So I personally am not against TAAMS. I want you to understand that. I am not against TAAMS because we currently have a system known as MAAD that does the same thing. We hope TAAMS does at least match our current performance. So we do interface electronically with TFAS. So we cannot take a position that says TAAMS is going to solve all the problems in the future because that electronic interface currently is going on.

The problem lies in how IIM operations are conducted on a daily basis, and I'll quickly lead to why I said Federal regs versus implementation. You, Senator, make the law; the agencies make the regulations that I have to abide by at a local level. At this point since the special trustee has taken over, the Office of Trust Management is making daily changes to forms, to documentation requirements, procedures are being changed, there's a mass confusion going on. Therein lies many of the multiple, multiple faxing that's going on and e-mailing. It's a very difficult thing, and, in the meantime now, the examples—when you hear these examples, you'll say—ask yourself, please, is it really trust improvement when you hear these examples.

Number one, the local IIM office encoding staff were able to do at a minimum of 65 journal vouchers a day—but before I make my examples, I need to draw a picture here. Even after the trust—special trustee took over the IIM operations, the encoding and all that was okay. What happened on October 31 was the encoding data entry at the local agency came to a standstill. Now it was moved to Albuquerque.

Since that time I have personally experienced massive delays going on and people not getting their money before Thanksgiving, before Christmas as they promised they would correct the situation so they can get them before Christmas, keeping in mind we do our part from BIA, along with the local IIM office, everything that we can provide, but this constant misdirection—we have people that have been operating IIM offices for years and years. They know their business, they know the people. Now you put somebody over there in the far reaches of the United States, they don't. They're being hired right off the street. I don't care how much professional knowledge they have. Now they have to deal with Indian IIM business, and that requires experience.

So since—prior to, the local IIM office was able to do at a minimum of 65 journal vouchers a day. After the conversion, the encoding and everything, now the OTFM does that now, and in compari-

son they're doing it in 3 weeks to 5 months before they can do one. That is not improvement.

Local IIM office in coordination with the BIA and the tribal staff have processed short-term loan transactions within 3 days, as Mr. Taken Alive has stated. We were able to do that. Each year—in December of each year when the deposits were made electronically, we paid the loans to the tribe, released the remaining balance to the individual well before Christmas. People were happy. Loans yet to be processed today—after 10 months there are still loans not paid. The documentation is all down in Albuquerque.

One-time payments were processed by the local IIM office in one day. In comparison it now takes 10 days to 4 months. That is no improvement.

Local IIM office processes address changes, name changes and other such data needed while customer is present before. Now in comparison it takes 2 to 7 days to 3 to 4 months just to sometimes change an address.

So it does hurt, Mr. Chairman, the individual Indian out here who I face every day. As a matter of fact, I have many elderly ladies who have physically cried in my office, and I really feel for it because I couldn't do much more about it, if we've done everything that we could and everything was in Albuquerque.

Now in addressing these concerns I personally asked the director of Office of Trust Funds Management and the special trustee—not you, of course, Mr. Slonaker, but your predecessors—to intervene, and I was unsuccessful in my attempt. The Office of Trust Funds Management answered orally and in writing that the delays were caused by my Standing Rock Agency program staff. The Office of Trust Funds Management had stated on several occasions to me and my staff that they believed TAAMS again will be the answer to it all.

I suggested to the Office of Trust Funds Management that we can achieve our common goal of trust services to Standing Rock Sioux Tribe and its members. I made suggestions. The result was their steadfastly refusing to acknowledge the scope of the problems, period. It's not my problem, it's yours. And they denied the following recommendations which Mr. Taken Alive and Mrs. McLaughlin has brought forward, and these recommendations that I have are:

The Office of Trust Funds Management to return the data entry back to the Standing Rock Agency local IIM office.

Office of Trusts Funds Management denied this approach because their concern over internal control issue of segregation of duties was not possible within the current level of staff, which is here at the local office. They indicated that the past audits called for better accountability and they will not entertain the return of data entry responsibilities to the local IIM office.

My counter-recommendation to Office of Trust Funds Management in relationship to their position not to return data entry was for them to monitor on site the day-to-day activities for themselves. See for yourself. And then please determine the possibility of additional positional needed to provide that service that the Indian people deserve.

Additional manpower will bring to resolution the delays currently encountered because there would be adequate personnel at

the local office. They can then perform all the functions required at the local office. We know right now that other regions—IIM offices are staffed at 4 to 6 people in their offices. In our office we have one permanent and one temporary. So when Mr. Slonaker refers to the fact that the faxing of documents—people just don't understand that it's just a very simple process, maybe we need training on both ends, I say while these two people are faxing, customers are absolutely ignored. They can be faxing all day long. One journal voucher to fax down there was 56 pages. So the point I'm making is this physical faxing is causing delays. It's not that we need training. As a matter of fact, these IIM offices know what they're doing. The IIM offices in Albuquerque do not, in my opinion.

The Great Plains Region—the Great Plains Region has the most fractionated ownership of land by individual Indians resulting in the region having the most IIM accounts in existence. This equates to an enormous workload for the local IIM office, not to mention our limited number of Standing Rock Agency staff to carry out the trust responsibilities that we are charged with. We don't know how we do it, but we do it.

It is my firm belief that the data entry function, if it was returned to the Standing Rock Agency local IIM office, all the current unnecessary delays would be eliminated once and for all. Additionally, the animosity that currently exists among the BIA, the local IIM office, the Aberdeen and Albuquerque Trust Funds Offices would also come to an end. Teamwork would be restored and the ultimate customers of the Standing Rock Sioux Tribe and its members would greatly benefit from our improved trust and financial services.

The common goal of the BIA and Office of Trust Funds Management to achieve and approve services which satisfies customers could be a certainty with that kind of teamwork. A true improvement in trust services for the Standing Rock Sioux Tribe and its members would be achieved as expected by the U.S. Congress.

There is my statement. I do have it written down. I could submit it, if you wish. Thank you for listening.

Senator CONRAD. I would very much like you to submit it because I think you've made a very clear case, a very compelling case, and a case that has to be responded to, and I'll tell you what, I'm going to hold people accountable.

Mr. BODIN. May I make one more point?

Senator CONRAD. Yes; go ahead.

Mr. BODIN. We've heard today that a data entry will return. When? 20 years from now, 30 years from now? What we want is the data entry returned today. Today we're hurting the people's income.

Senator CONRAD. All right. Thank you very much for that testimony. Mr. Slonaker, do you want to respond?

Mr. SLONAKER. Thanks, Larry. My suggestion, Senator, is that Larry put some of those examples—I've heard those before in a number of instances—put some of those examples on the table with us when we get together on some of these other issues. I think there's some—frankly some confusion and misunderstanding that we can iron out pretty quickly.

Senator CONRAD. All right. That's critically important, and I would like to make sure that Larry be included in this meeting that occur—that will occur in the next 30 days, to come up with an action plan that's going to resolve these matters, and I am relying on those of you who are in a leadership position to get this thing resolved. That's my expectation.

These are problems that are obviously real. I know they're real. I've had people call me after my meeting with Chairman Murphy, people who I respect, who I know here on the reservation, who have described to me problems that they have had. I know Elaine. My God, I've known her for years. Charles Murphy—Charlie, I think I've known you for 25 years. You're a friend, and when you tell me there's a problem, I know there is, because you don't run to me talking to me about something if there's not a problem. You never have.

So this is real, and it simply can't go on. We've got people who have got very tough circumstances here, and it hurts me—it hurts me to hear there are elderly women coming to you, Larry, and crying in your office, and I believe it, and that—that's wrong. That's just totally unacceptable and it can't go on. Phyllis.

Ms. YOUNG. Thank you, Senator. I want to thank you for coming here.

Senator CONRAD. Phyllis, if I could ask you to give your full name and to spell it for the transcriber. I apologize for that, but it's important for the official record.

STATEMENT OF PHYLLIS YOUNG

Ms. YOUNG. Okay. My name is Phyllis Young. My last name is Y-o-u-n-g, Phyllis, P-h-y-l-l-i-s. I come here today on a very personal issue—or two issues addressing the short-term loan program, as well as the tribal education loan grant program.

The short-term loan program is a tribal program that the tribe assumed 20 years ago and primarily serves people on an emergency basis, and people—enrolled members here truly appreciate this small loan program, particularly when there's a death in the family, the tribe assures a check to be to that family within an hour, and I have witnessed that in my own personal family. So that speaks for itself.

The tribal education loan grant program is provided to landowners, and I understand the IIM account, the staggering dollars and the fractionation very well. I inherit—I do have an inheritance comprised of 24 trust accounts, but I also know who my relatives are back a century old. I'm very proud to say that I have three children who are in medical school, and I thank the tribe for providing assistance to my children as they were in colleges going toward the medical field. I also have one child applying for law school. Again, I am very proud of my tribe for giving assistance to my children to make their way on their professional lives.

I feel that because the—the OTFM, Office of Trust Management, has assumed control of both of these programs by making all of us subject to signing additional papers after we have cosigned for these. I have made a loan for the short-term loan program. The tribe will receive their income back from my—my income at the end of the year, but OTFM has assumed control after the fact, after

the transaction, saying you must fill this additional form out, and that I cannot accept. I have refused to participate and I will continue to refuse to participate in the short-term loan program or the tribal education loan grant program because I will not sign those forms because I have not been given an official notice as a landowner, as an individual. I have not been provided that by either the tribe or the office of OTFM.

This is America, and when you are going to participate in a program, you are given notice that these are the reforms in the strategic plan, this is the plan, and these are the changes that we're going to be making, and the tribe shall so be informed that there will be additional documents to sign. In fact, in the next fiscal year, not after I have signed, I cosigned a loan for one of my daughters, and I was told you have to—you have to fill out this additional form, and I said no, I won't do it. As a—

Senator CONRAD. Phyllis, can I just ask you on that—about this form? Where did that form come from? The additional form, was that from the OTFM?

Ms. YOUNG. Yes.

Senator CONRAD. And this was after you had already signed an agreement to repay?

Ms. YOUNG. Yes.

Senator CONRAD. You'd already signed it?

Ms. YOUNG. Yes.

Senator CONRAD. And then this additional form was given to you?

Ms. YOUNG. Yes.

Senator CONRAD. And what did this additional form ask?

Ms. YOUNG. The additional form is called a voluntary hold, meaning that if I sign this today, then my IIM account is frozen, it's on hold. What the tribal education loan grant says is that you have 7 years after your—your children graduate from college and there is an agreement for a \$50-a-month repayment. Now my—one of my children has—is used as an example for the repayment. He has completed that, and it enabled me to use it for the next child.

Senator CONRAD. Can I ask, Mr. Slonaker, this short-term tribal loan program, as I understand it, that was something that was developed by the tribe?

Ms. YOUNG. Yes.

Senator CONRAD. Administered by the tribe?

Ms. YOUNG. Yes.

Senator CONRAD. Why is there a need for that to be somewhere other than right here? Mr. Slonaker, could you tell us?

Mr. SLONAKER. As trustee I need to know that disbursements are legally made out of an account, can be made out of an account. I'm not clear just on what forms you're talking about, but that's my obligation and that's why certain forms in loan situations have to be examined or checked by my office in Albuquerque to make certain disbursements are validated.

Senator CONRAD. Are these loans against the IIM accounts?

Ms. YOUNG. Yes.

Senator CONRAD. That's the way it's done—that's the way it has been done in the past?

Ms. YOUNG. Yes.

Mr. SLONAKER. These are tribal orders.

Senator CONRAD. Yes; Chairman Murphy?

Mr. MURPHY. Senator, the individual comes in and borrows the money. They have x number of dollars in their account, like \$200 or whatever it may be.

Senator CONRAD. Yes, sir.

Mr. MURPHY. All right. I'm using this as a hypothetical, but what happens is that we ask—we send paperwork down to the Bureau of Indian Affairs asking them to tag their account with their agreement on it saying that they're willing to pay the tribe back the \$200 out of their IIM accounts. When it gets back down to the IIM accounts, they fax it into Albuquerque. That's where everything gets hung up. Simple as that. We used to deal with four forms or five forms. Now I think we're dealing with 27 forms now per individual. I can't give you the exact amount, but I can ask my staff members on how many forms that we fill out.

But also, Senator, I had mentioned for the record that I would have two people coming here to testify, also—excuse me, Mrs. Young, but I have letters from them saying that—they're addressed to you, and I would like to give those to you for the record.

Senator CONRAD. We will. We'll enter those into the record. Boy, Tom, I would like at this meeting that's held in the next 30 days for there also to be—to address this question of the short-term loan program. Somebody needs to be put on that, and if this is accurate that they're—I'd like to know how many documents somebody does have to submit. I can't conceive of why there would be 27 documents.

Mr. TAKEN ALIVE. Senator, also the Higher Education Loan Grant Program needs to be included in this discussion, you know, the meeting in 30 days. My concern is that some students—college students won't be able to attend college because of the holdup that we're now experiencing with the office in Albuquerque.

Senator CONRAD. Okay. Let's make sure that on the agenda of this meeting is not only the IIM accounts but also the short-term loan program and the education loan program. Is that the formal title, Jesse?

Mr. TAKEN ALIVE. It's the loan grant program.

Senator CONRAD. Loan grant program. And that's for people who are going on to additional education?

Mr. TAKEN ALIVE. Yes.

Senator CONRAD. Phyllis, excuse me for interrupting. Go ahead.

Ms. YOUNG. That's fine. I'm satisfied that there will be a meeting to—to followup on this, and I appreciate your coming here, Senator. I have great confidence in you and the committee, and I for one am not intimidated easily by rudeness. We have a lot of raw energy out here that we need to reign in at times, and we look forward to some real reconciliation of our efforts here. Thank you.

Senator CONRAD. Let me just say that I'm going to make the following commitment because, you know, so many times we—a meeting is held and then, you know, other meetings are supposed to be held and then, you know, things don't happen. This is not going to happen here. I'm coming back here, and we're going to have a meeting and we're going to find out exactly what's happened and what hasn't happened. So that's the—and I would ask that we do

that. In the next 30 days there's going to be a meeting to figure out how to fix these problems. Then in October we'll have a meeting back here. We'll schedule it—I don't know yet when Congress will get out, but we're going to come back here and we're going to ask for a report on what's been accomplished. Our—every one of these loans—every one of these situations where the people haven't been paid, have they been resolved? What is the plan with the IIM accounts? What is the plan with the short-term loan accounts? What is the plan with the education loans and grants? What is the plan in terms of bringing back the encoding here? When is that going to happen? We're going to get answers to those questions, and I think that's the best way that we make sure that it's not just pushed down the road and we don't get answers and we don't get answers.

Allen has asked some very good questions that I want to get answers to. I appreciate, Allen, the effort that you've extended here and the thought that you've put into it, and I thank you, Larry, very much, for standing up and saying what you honestly believe to be the case. That is important.

We have gone a little past the end of this hearing. We were officially given until Noon. We have one other gentleman that raised his hand. If you would come down to the microphone, sir, and identify yourself. This will have to be our last witness, and we appreciate so much the involvement and cooperation of everybody here. Yes, sir, and if you'd give your name, sir, for the transcriber.

STATEMENT OF JOE SEES THE ELK

Mr. SEES THE ELK. My name is Joe Sees The Elk, S-e-e-s T-h-e E-l-k, Sees the Elk.

Now, Senator, you know, throughout the years my people have suffered because we don't have that leadership. You know, there's a quality in leadership, and there's only one man I respect on this reservation that has that leadership, and that's Larry Bodin. The people, they love this man. I know they're listening to me over the radio right now, and a lot of people encouraged him to leave and they don't want him to leave because he deals with these kind of issues. He fights hard for these issues, especially the IIM accounts. He's done a lot of paperwork and I've seen it myself, but there are a few people that are holding him back, trying to get rid of him, and I want to point that out. It has to come out because I know a lot of my people are mad because they want him to leave, and that's the—Cora Jones and Charles Murphy. If there's anybody that should leave our country, I'd like to see them leave our country and we'll keep Larry Bodin.

That's all I want to say. We depend on this man. He belongs here. He belongs to us. Thank you.

Senator CONRAD. All right. Thank you. Let me just—

Ms. JONES. There is no truth to that. I've not asked Larry to leave.

Senator CONRAD. Cora, do you want to just—

Ms. JONES. I just want it for the record I have not asked Larry to leave, I have not made any efforts to remove him. He sent in a request to me requesting an administrative transfer and for my help, but it was not because of my volition. It's from his own.

Senator CONRAD. All right. Charlie, do you want to make any—

Mr. MURPHY. Yes; I guess I can comment. I didn't ask him to leave. I mean, you can ask him if you wish to. I never went up to him and asked him to leave. So—

Senator CONRAD. All right. Let me say this—Larry, do you want to make any further comment? Your name has been brought up here. All right. Let me just say this to you: What is important is that we get results. What is important is that people's money be available to them on a timely basis in a way that the accounting is clear and credible, and it is absolutely imperative that this get done not only for this reservation, not only for this State, not only for this area, but for our country. It was a scandal what was happening with money not being properly accounted for. It was Indian people's money, but in solving that problem if we can't get the money out on a timely basis to people that is their money—it's not the government's money, it's their money—and if we can't have a loan program that works and gives an answer to people—on a reasonable timed basis, and if we can't get educational grants out to people so that they can attend college, then the program and the policy is not working and it's unacceptable to me.

So that's the standard we're going to apply here. Are these things working to get results for the people that we represent? And that's the standard that we're setting here and that's what we're going to hold people to, and we're going to come back and we're going to find out, is the job getting done or not? Larry, I hope you're still here. I hope you're still here. Thank you very much. We'll now adjourn this meeting of the Senate Committee on Indian Affairs.

[Whereupon, at 12:11 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF CHARLES W. MURPHY, CHAIRMAN, STANDING ROCK SIOUX TRIBE

I appreciate the opportunity to provide testimony regarding concerns pertaining to our Individual Indian Money (IIM) accounts, the proposed regulations, 25 C.F.R., part 115 and inequitable deductions from IIM income stemming from archaic assessments of irrigated lands on Indian irrigation projects.

The Standing Rock Sioux Tribe is concerned with the encoding responsibilities of the Office of Trust Fund Management (OTFM) and in fact we are requesting that these responsibilities be returned to the local agency IIM office. Our members did not experience such problems with the issuance of their lease income until this responsibility was transferred to Albuquerque. I receive numerous calls and visits on a weekly basis from our enrolled members who are experiencing difficulties in receiving their lease income due to the policies and procedures of the OTFM. We have attempted to address our concerns with the OTFM since May 1997.

On January 31, 2000 the tribe approved to initiate legal proceedings to stop the current activities of OTFM as they relate to our members' IIM accounts. On this date the tribal council also demanded the OTFM to: Facilitate the processing to complete the IIM transactions. respond to our request to leave the IIM records at the local agency and to return the encoding of the IIM transactions into the Trust Fund Accounting System (TFAS) back to the Standing Rock Agency. To date, OTFM has failed to adequately address our concerns. The tribe will not rule out legal proceedings although we want to first exhaust all remedies to help our people.

In April 1997 the Office of Special Trustee created. A 5-year strategic plan in accordance with Public Law 102-412, the American Indian Trust Fund Management Reform Act of 1994. Senator Conrad, this is where our problems began.

This strategic plan required the transfer of the IIM jacket files from the Standing Rock Agency IIM office to the Albuquerque OTFM. Our tribal council by resolution opposed the transfer of these records, in addition we continue to maintain a strong position that we were not officially consulted on this decision to transfer the jacket files. The OTFM has yet to hold an official consultation with the tribe before these files are physically transferred to Albuquerque although the physical transfer has not taken place, the local staff are unable to discuss our concerns as they have been instructed not to do so. The Federal agencies are to work in concert with the tribal governments, how are we to resolve our members concerns if there is no dialog between us?

The strategic plan also created and implemented the new TFAS computer system, the conversion to the TFAS system was completed on November 1, 1999, causing additional detrimental impacts to our people.

This new system transferred the encoding responsibilities from the local Standing Rock Agency IIM Office to Albuquerque, thus creating enormous delays in the processing of transactions.

The realty and land operations offices at the Standing Rock Agency are to convert to a new trust assets accounting management system [TAAMS]. Senator, I must em-

phasize the implementing of a new computer system will not improve the delays unless the encoding occurs at the local level and the office is fully staffed.

The delays of the transactions are due to the fact that the local IIM office acquires and reviews the documentation that are necessary for a particular transaction then they forward these documents to the Albuquerque office, who in turn, reviews the documentation again and encodes into the TFAS system, in other words, you have two offices performing the same functions with the exception of the Albuquerque office performing the encoding. Both offices are reviewing the same documentation with different perceptions of what is and is not needed by a number of different personnel and disagreements of each other's perceptions. Misunderstanding what is needed and who is responsible for what functions of the process only negatively impacts our people.

This was blatantly obvious this past January when Superintendent Bodin, Standing Rock Agency Bureau of Indian Affairs [BIA] and OTFM staff were before our tribal council. Each agency blamed the other after hearing numerous concerns regarding delays and errors in processing of lease checks, land sale payments, the closure of our short-term loan program, the treatment of our members in obtaining information and the taxes incurred due to the delays of the BIA and OTFM offices. Our members are being penalized for the delays of these two agencies. These two agencies must work together and come to terms on who is responsible for ensuring that these transactions are performed correctly and in a timely manner as our members are suffering from their inability to cooperate with each other.

In looking at time frames by comparing the old system to the current system, for example, the processing of a one-time payment has increased from 3-4 days to 10-20 days, the processing of journal vouchers used for probates and land sales from 1-2 days to 14-30 days and the processing of short-term loans, whereby the remaining lease balance is forwarded to the individual account holder are delayed from a 3-day turn around time under the old system to not yet receiving any of their lease income. As we speak today, many of our enrolled members are still waiting for their lease income, Senator, as you are well aware we live in a depressed economy where our people live on a day to day basis. Our families rely on the little amount of income they receive every year on their lease(s). This process has caused an extreme hardship on our families and our tribal government as we must help these families maintain the minimum living standards. These minimum standards of living are also going to be affected by the proposed regulations as they pertain to the Indian account holders.

The proposed regulations published July 14, 2000 governing the BIA management of IIM accounts if enacted, would eliminate the discretion of BIA social services staff who have had to maintain that discretion to assist tribal members who have difficulty in managing their Indian money accounts. The proposed changes, published at 65 Federal Register 43892-43919 would undoubtedly lead to loss of Medicaid and other Federal benefits. The abuse of discretion by some BIA personnel as cited as a reason for the proposed changes, should not eliminate services or inhibit the improvement of services for our members, but rather exert more stringent controls over the management of the accounts by the BIA.

The proposed regulations discuss that the BIA will only "supervise" accounts of individuals who are adjudicated by a court of mental and physical incapacity. Individuals may be competent in all other areas of their lives but are simply unable to manage their accounts. A better definition under section 115.2 of an "adult, in need of financial management assistance" would be an individual who is determined by a social service assessment or court of competent jurisdiction pursuant to 115.353 to be in need of financial management assistance.

The proposed regulations define guardianship, for purposes of the IIM account regulations. The guardianship should need only concern the financial affairs of the account holder. The regulations should not require a broader guardianship over the person. By exerting more strict controls of the BIA's management of the accounts, the definition should read that a guardian means a bondable person who is granted the authority and given the duty by a court managing the financial affairs of another person who is considered by the court to be incapable of managing his own financial affairs. The guardian will be required to make an annual accounting to the BIA and to the court. This definition includes, but is not limited to, conservator or guardian of property.

A "non compose mentis" or similar label of an individual's incompetence should be assigned only where this finding has been made by a tribal court after a guardianship hearing. Under the definition "a court of competent jurisdiction" should be deleted and substitute "a tribal court (or by a State court with jurisdiction if the tribe lacks a court with jurisdiction)." Under the section definitions, we would add a new term, "minor's payee" and further define a "parent with custody of a minor"

to mean the person or agency designated by the BIA to be responsible for receiving funds paid from a minor's IIM account under a BIA approved distribution plan. A minor's payee maybe a relative or some other long-term or permanent custodian or a child welfare agency. Foster parents or other temporary custody placements should not normally be "minor payees" or have access to a minor's IIM records or the minor's IIM funds.

Section 116.102(a)(5) outlines the types of money that may be accepted for deposit into IIM accounts, the proposed regulations would allow restricted accounts only where there are court orders of incapacity/incompetence. The BIA is at times requested to act as a representative payee for Federal benefits or pension checks for persons who also have an IIM account. The designation "representative payee" requires that the benefit or pension check be supervised in the same or similar, manner of the IIM accounts. In cases where other Federal agencies such as the Social Security Administration or Veterans Administration have already made an Administrative decision that the individual is unable to adequately manage his or her own benefit or pension check and there is no relative or other appropriate person available to act as a representative payee, the BIA should not revisit the other Federal agency's decision by requiring a court finding of incapacity/incompetence. Therefore, section 115.102(a)(5) should be modified to read, "certain Federal benefit or pension payments, such as VA benefits, Social Security survivors, retirement or disability benefits, pass funds or supplemental security income."

Section 115.102(d)(2) should also be modified to omit the requirement that there be an existing IIM account before tribal trust funds can be transferred to an IIM account and a new category should be added at the end of 115.102(d)(2), "individual Indian funds directly derived from trust resources" with a checkmark indication that these funds can be deposited in a restricted-supervised IIM account, in some cases tribal per capita payments need supervision, two such examples would be to assist a mentally ill tribal member or to protect the funds of a child in a custody dispute. The new regulations should allow tribal trust funds to be transferred to restricted or unrestricted IIM accounts, including new IIM accounts where none exists in order to offer equal protection of all types of trust funds.

Section 115.214, "may the OTFM return money in a tribal per capita account to a tribal account?" We would answer yes, but only upon the death of the account holder without heirs after conclusion of a probate of the deceased's IIM account funds. Tribes should not be encouraged to take money from an inactive IIM account, there should be no limitation on how long money can remain in the account of someone who is out of contact with the tribe, at least during the account holder's expectable lifetime.

In accordance with section 115.312, the BIA should maintain a current list of what amounts of Indian money are exempt by Federal statute for purposes of Federal or federally-assisted program eligibility and provide that list to account holders. To simply reference that some funds are exempt, does not respond or clarify which funds. We request they be listed.

Senator Conrad, the regulations as they are proposed. Will have a lasting impact on our people and the way we relate to the BIA. I would urge that the implementation of the proposed IIM regulations be delayed beyond the October 14, 2000, deadline date.

Tribes need more time and the BIA needs to listen to what tribes want in the regulations, then make the changes, until this is done, we have not had adequate consultation.

These are a few of our comments on the proposed regulations which provide an increased management of our IIM accounts by the BIA to assist our members in managing their accounts. The other issue concerning our IIM accounts pertains to the inequitable deductions from IIM income on Indian owned land for Indian irrigation projects.

Many of our tribal members own land that were included in Indian irrigation projects near the turn of the century. When Indian lands were incorporated, the Indian land owner agreed to be included in those projects and they were thereafter assessed charges for operation, maintenance and replacement of the water system facilities necessary to deliver irrigation supplies to each Indian allotment.

With time, these irrigation projects fell into disrepair and the methods of farming became obsolete. Many tribal members are successors in interest to lands included in these antiquated irrigation projects and continue to pay assessments that reduce their income in IIM accounts. This is true even though the tribal member may no longer irrigate or want to irrigate the lands formally irrigated when this activity was beneficial. This system must be reformed. The assessments must be lifted when Indian property owners no longer seek to participate in the benefits of irrigation.

Our tribe is building modern, highly efficient irrigation systems and our intent is to lease lands from our membership and provide a higher level of income for the Indian landowner that can be received with dry land crops. Our concept of leasing does not commit the landowner in our project to future costs if the landowner leases land to the project. But the landowner participates in an increased revenue from his/her leases.

Our irrigation project authorized by Public Law 99-294, the garrison diversion unit reformulation act of 1986 as amended receives technical and administrative support by the Bureau of Reclamation [BOR]. While the tribe is thankful for the assistance of the BOR we have concerns with their interpretation of their role in our irrigation projects as being much broader than the tribe believes was authorized under Public Law 99-294 as the BOR claims that our irrigation project is a BOR project and subject to reclamation law. These interpretations have severe consequences and may require our project formulation to include landowners as irrigators, rather than lessors, thereby committing those landowners and their heirs to future assessments to cover operation, maintenance and replacement.

Mr. Senator, I again appreciate the opportunity to discuss our IIM accounts and reiterate our concerns of encoding at the local level, the BIA and OTFM responsibilities of ensuring that the internal processing is corrected and facilitated, our comments on the proposed regulations are incorporated in the new regulations and our concerns regarding the assessments of our IIM accounts on obsolete irrigation projects are addressed.

As I previously stated we are suffering because of Federal agencies internal processes and interpretations, our tribal members must receive more efficient and favorable responses from these Federal agencies.

We ask for your support in returning the encoding process to standing rock and fully staffing the local agency office. A new computer system simply will not meet our needs. Precedence has been set with other tribes (the Umatilla) who have been allowed to have the encoding process returned. This would alleviate many of my people's concerns, thank you.

PREPARED STATEMENT OF CORA JONES, GREAT PLAINS REGIONAL DIRECTOR BUREAU OF AFFAIRS, DEPARTMENT OF THE INTERIOR

Good morning, Mr. Chairman and members of the committee. My name is Cora Jones. I am the Regional Director of the Great Plains Regional Office for the Bureau of Indian Affairs [BIA]. Accompanying me today is Larry Bodin, the Superintendent for the Standing Rock Agency. I am pleased to be here today to present testimony on behalf of the BIA concerning the processing delays associated with the Individual Indian Money [IIM] Accounts.

The Department of the Interior is the primary agency of the Federal Government charged with the responsibility to administer Federal Indian policy and fulfill the Federal trust responsibility for American Indian tribes, Alaska Native villages and tribal organizations. Federal Indian policy and the trust responsibility are derived from the special legal and political relationship between the American Indian tribes and the Federal Government.

The BIA carries out trust responsibilities to tribes and individual American Indians in managing and administering trust assets for the exclusive benefit of tribal and individual American Indian beneficiaries. The BIA is responsible for managing natural resources trust assets and collecting proceeds from those resources on behalf of tribes and individual Indians from leases or sales of natural resources and a variety of other property transactions. In the case of individual Indians, funds are deposited in trust accounts and disbursed to the account holders or to third parties as authorized by the account holders or responsible party.

Historically, the Office of Trust Funds Management [OTFM] within the BIA maintained the IIM Accounts. In fiscal year 1996, the Office of Trust Funds Management was transferred from the BIA to the Office of the Special Trustee pursuant to Public Law 104-134 and Secretarial Order 3197. This action established a separate line of authority over staff maintaining IIM Accounts at the local Agency Office. The Agency Superintendent no longer supervised the local Agency OTFM.

The OTFM has fully implemented a new trust fund system known as the Trust Funds Accounting System [TFAS]. The delay in payments on the local level wasn't due to the use of the new trust fund system, but to a changed business practice with the use of the new system. This change removed the data entry capability from the local level to a centralized data entry process located in Albuquerque, New Mexico. The centralized data entry created a change to the processing of documents.

The local OTFM acquires the documentation from BIA to support the transactions and prepares code sheets. The local OTFM then faxes all of the underlying documents including the code sheets to OTFM in Albuquerque. The Albuquerque OTFM, then, reviews the documents and encodes the information into TFAS. The process is to ensure consistency and accountability.

We believe the implementation of the BIA's Trust Asset and Accounting Management System [TAAMS] will resolve the processing delays. A fully implemented TAAMS should provide for more efficient coordination between the BIA and OTFM.

That coordination can only be accomplished by clearly defined duties and lines of authority. A joint BIA and OTFM team is developing clear, consistent nationwide instructions on what documentation is required for processing these payments. Due to the complexity and diversity of transactions which our respective staffs process, this Interagency Procedures Handbook cannot be completed for another 4-5 months. We believe that the updated procedures will alleviate the late payments and delays which have been occurring at the field level.

The Standing Rock Agency currently has 9 people managing and processing trust transactions. Trust staffing at the agency has not increased despite the growth caused by fractionation of land ownership, the increased accountability required by trust reform, and individual Indian's increasing activity in trust-related transactions. Our staff are funded under the BIA's tribal priority allocations. We ask the committee's support for the President's Fiscal Year 2001 budget request for the Bureau of Indian Affairs which would provide additional resources that are critically needed for Trust Services, Real Estate Services, Real Estate Appraisals and Probate as our budget nears final passage in Congress. We believe with modern trust accounting systems and sufficient personnel and training resources to handle day-to-day operations, our trust responsibilities to the IIM account holders will be fully achieved.

Again, thank you for allowing me to provide testimony on such an important issue. I would be happy to answer any questions you may have.

PREPARED STATEMENT OF THOMAS SLONAKER, SPECIAL TRUSTEE FOR AMERICAN INDIANS

I am very pleased to have the opportunity to be with all of you today to discuss ways to improve service to our trust clients, many of whom are here with us.

I was confirmed by the U.S. Senate 3 months ago as the Special Trustee for American Indians. Since then, I've had the opportunity to meet and spend time with numerous leaders in Indian country, and I am very happy to make my initial visit to the Standing Rock Reservation. I very much appreciate your hospitality.

I also appreciate the presence today of Senator Conrad to moderate and participate in these discussions. As a member of the Indian Affairs Committee in the Senate, he plays a key role in supporting the modernization and improvement of Indian trust fund accounting and record keeping, both tribal and individual. Thank you, Senator, for taking time to learn about the issues that surround our joint venture toward a much improved trust system for the benefit of our Indian clients.

I also want to express my gratitude to the Standing Rock Sioux tribal chairman, Mr. Murphy for the support and hospitality which he has extended to me.

I used the word "client" a moment ago because it is time, after all these many decades, for us to recognize that the Indian trust accounts are managed for clients, namely, all of you, plus the tribes for their accounts. The 1994 American Indian Trust Fund Management Reform Act created, among other things, the role of the Special Trustee who, in short, will be responsible for overseeing the modernization of the trust activities which serve individual Indians and Indian tribes. The 1994 act also requires that the Special Trustee must have extensive experience in trust administration and investment management, and must be accustomed to managing large trust organizations with very substantial assets.

I was honored to be selected in a nationwide search and to be nominated for this position and approved by the Senate. I am honored, too, to have the privilege of putting all my experience to work for you so that we will have a strong trust organization, which can serve its clients well.

The assets of Indian trust are very substantial in the aggregate. There are over 56 million acres of land and \$3 billion-plus in liquid assets, all trust assets of individual Indians and the tribes. Even attaching conservative values to the land acreage would mean that this is one of the largest trust organizations in the United States, private or public sector.

The objectives of a trust organization must be to protect and preserve the assets of the trust clients, to provide accurate record keeping, and to provide good and timely services for your clients.

There are important ways to achieve those objectives. We must have experienced and well trained personnel. We must have excellent systems for accounting for all of the trusts' transactions and valuations. We must have smooth interfacing between our trust systems and all of our agencies and we must treat our customers well, giving them timely and accurate information.

The ability to give good and timely service requires the presence of well-designed systems—computer systems—which assure accuracy and speed of delivery to clients of their checks which they are due and their regular account statements.

I want you to know that much progress has been made, but we have a long way still to go in improving our trust service in Indian country.

We have already installed a trust accounting system [TFAS] in my Albuquerque operation, which serves all of the country, and it is based on the technology of a system used widely by major trust banks. We have begun to deploy the Trust Asset and Accounting Management System, which will replace two older systems handling land title and management.

We are very busy, everywhere, cleaning up trust data, reconciling old records and trying to resolve any gaps in data so that what goes into our systems are accurate and, thereby, provide accurate information to our clients. We are consolidating trust files for all of our accounts under the direction of an experienced records professional who we managed to find in the State Department. It is vital to the service we provide to all Indians and tribes that we have our record keeping consolidated and under the control of the Special Trustee.

My Office and the Bureau of Indian Affairs [BIA] have undertaken a mammoth task. What we are essentially doing is building a brand new trust organization at the same time that we continue servicing our clients. This is somewhat analogous to adding a new engine to the front of a moving freight train!

We have had marvelous cooperation from the BIA, the Minerals Management Service, and the Bureau of Land Management. BIA bears a large brunt of the task of overhauling trust. You should know that my friends Kevin Gover, Assistant Secretary of Indian Affairs, and Sharon Blackwell, Deputy Commissioner of Indian Affairs, as well as Secretary Bruce Babbitt himself, have been very supportive of this effort.

One of the difficult aspects of consolidating and streamlining a trust operation such as this is that so many people, working on trust in the regions, are being asked to do things differently than they have over the years, all in the interest of providing better service and making their jobs more satisfying, too. It takes a lot of selfless cooperation of many people. I recognize the adjustments people must make in their own jobs to make a business operate better.

I've been there. My last employer before I retired, a major bank trust department in the West, asked me to consolidate the investment activities for a \$27-billion operation over some 13 States to provide a more effective and easier management of our assets. All of our offices had had semi-independent trust operations, and there was a natural reluctance to move toward more efficient, standardized operations to benefit our customers.

That's why I chose to come here myself today. You need to know that I want this trust service to our client—you—to work well and for all of those working with us to know that we need their help in creating a better trust service.

Over the last 2 years, we have sent several of my most senior people here to Standing Rock at different times to assist you with issues surrounding the implementation of new systems and procedures. Tom Thompson, my Principal Deputy; Bob McKenna, our Information Resources Manager in our Office of Trust Funds Management; and Margaret Williams, who heads our Division of Trust Funds Accounting have all been here at different times. Whatever issues remain, I look forward to working with you to resolve them.

I have two areas for—which I need your help, and specifically the help of you folks with the agency. First, I need to be able to speed the delivery of checks and appropriate interest, payments to our individual Indian clients. To do so, we need to speed the input of deposit data into our accounting systems from leases and other land revenue sources. Second, I need your help in consolidating Indian trust records so that we can have a better trust service. I want to discuss those items with you.

There are other issues, often referred to as "business practices", for which we need the help of BIA folks everywhere in solving. Sharon Blackwell's assistant, Jim James, is really helping our Office of Trust Funds Management people to resolve some of these operating issues quickly.

Please understand that the only way to help get checks out promptly, provide proper interest, invest assets properly, and keep records accurately is for us all to pull together in a common system. Anything less is a disservice to American Indians.

As the Special Trustee, I need to be certain that the records of my clients are correct at all times and updated appropriately. As the Special Trustee, I consider records to be trust assets and must be carefully managed. There are 4,800 open accounts (totaling \$735,000) managed for the Standing Rock Sioux Tribe members plus 1,200 special deposit accounts (totaling \$2.1 million). These are individual accounts; I'm not speaking of tribal accounts. The files are often referred to as "jacket folders", and they contain account administration information such as social security numbers, address changes, distribution authorizations, and any court ordered actions (such as in guardian accounts). The files are covered under the Privacy Act, and they constitute Federal property.

We keep the files at the agency and would need to make copies of everything in the files in order to centralize them, but that imposes additional duties of file maintenance and controlled storage at the local level. The transfer to our central files provides secure storage and retrieval plus eventual automated access through a technique known as imaging. In other words, folks, to ensure the best service for our clients, we need a central records unit managed full time by professional archivists and available to our accounting systems and the BIA.

We also need to cleanup and standardize the files, a very difficult task to do outside our central records. We've tried that elsewhere, and it didn't succeed. Individual clients can be disadvantaged because their files have not been properly reviewed. Decisions affecting the account might be made incorrectly. Local agency personnel will have access to the information in the centralized records as needed, just as any office of a trust department could access necessary information on behalf of beneficiaries.

On another front, there are several BIA proposed regulation drafts out for comment through the Federal Register process as we speak. These affect such areas as probate, grazing, IIM accounts, and surface leasing. Kevin and his managers are looking forward to your input on these proposals, and if you haven't commented, I hope you will soon. The comment period is open until October 12. I don't pretend to be an expert on all of these BIA proposed regulations, but there are some issues, such as tribal credit, which are addressed in the proposed regulation through which our accounting system in OST would be impacted. So I am interested in what you have to say about the tribal credit issue.

Tribal credit programs also impact the trust accounts at times because the trust accounts have often been put in the role historically of being the "collectors" of repayments from individual Indians, a role about which I have serious reservations as the Special Trustee. How some tribes have administered these loans relevant to the trust accounts is something we need to discuss, since the trust accounts are for the benefit of the Indian client and require the protection of the Trustee. Tribal credit "holds", that is, blocking of a certain sum within an account, is a responsibility of the BIA superintendent as well as any court ordered payments. OST, in its trust capacity, becomes the "gatekeeper" to ensure that all of the required documentation is presented when a restriction or hold is requested on an account. We need the documentation to verify that the client has been afforded due process and is aware of the restriction and has a right to a hearing.

I want to take this opportunity to mention one other matter. Right now we can only hold U.S. Government securities in client accounts. In fact, the 1994 act directs us to examine alternatives for client investment. We will want to consult with the account holders before undertaking changes, too. If after such consultation, the Administration believes alternative investments are appropriate, we will work with Congress to modify the existing legislation. I have made this issue a priority.

Finally, let me say that I appreciate the opportunity to listen and exchange ideas on trust related matters. Thank you all, and thank you, Senator and you, too, Mr. Chairman, for bringing us all together.

PREPARED STATEMENT OF ELAINE McLAUGHLIN, SECRETARY, STANDING ROCK SIOUX TRIBE

Greetings to you all and hopefully we can agree on solutions to the management of IIM trust funds. I will give you an overview of my situation and will most likely be substantiated by other tribal members. There are two main issues that I wish to related to you today.

First, the issue of interest assessed to my trust income. Because trust income is not paid out quickly, my account is provided interest income and I am paid that amount. The problem I have is that the interest income is deemed to be taxable income. At the end of each year I am provided a 1099 IRS form for interest income and I am then required to make this a part of my tax reporting for that year. If the IIM system does not pay out my funds quickly, I am penalized through IRS tax assessment. There have been times that this additional income has put me into a different tax bracket and my tax liability was increased.

When I have inquired about this procedure, I was told that the Congress made this a part of authorizing legislation. Is it time to correct this legislation?

Second, last winter I received correspondence from the Bureau of Indian Affairs concerning participation in irrigation projects in Indian Country. Upon reading this correspondence, I discovered that I will be assessed operation and maintenance costs of irrigation projects that my trust lands may be a part of. It's ironic that higher lease income paid because of irrigation will most likely be negated through operation and maintenance costs. Other lease income could very well be taken to offset costs. Again, I am required to sign and submit more IRS documents relative to these costs.

It is interesting that after a lot of comments by members of our tribe, the Bureau of Indian Affairs informed the Superintendent that we were not to pay attention to this correspondence. It was a mistake. However, I understand that operation and maintenance costs will still be assessed to trust funds.

I would recommend that legislation be developed to ensure that those costs would not be assessed to trust accounts.

A few days ago, I received correspondence again to sign IRS tax papers and authorization to disburse funds from my IIM account. I get the feeling that until I sign these papers, I will not receive any lease income. But what's interesting is that all the information that is requested is at my local IIM office in their files. Again, my personal information file is being rebuilt in Albuquerque for their records.

In closing my hope is that legislation will be developed to correct these problems. Encoding needs to be done here locally. Our own people are capable and responsible to do these duties for our membership. Even though I have resources to try to follow my trust income account, I find it difficult to get correct information. Many of our membership do not have those resources and are at the mercy of OTFM for their answers. Also, I am attaching for your information the correspondence I have received from the Bureau of Indian Affairs' Irrigation and Power Liaison & Compliance Section and the Office of the Special Trustee for American Indians. I must add that I have not received a statement of account from OTFM for a number of months. It has become impossible for me to keep track of my lease income from Fort Peck Reservation in Montana and Standing Rock. I have asked and I am told that it is "in the mail".

Thank you for your time and your consideration to my statement.

DATE: 02/01/2000

MEMORANDUM

TO: 3020008437

ELAINE I MCLAUGHLIN
BOX 277
CANNON BALL ND 58528

FROM: DEPUTY COMMISSIONER OF INDIAN AFFAIRS

SUBJECT: IDENTIFICATION NUMBERS

OUR RECORDS INDICATE THAT WE DO NOT HAVE YOUR TAXPAYER IDENTIFICATION NUMBER (TIN) OR SOCIAL SECURITY NUMBER (SSN) ON FILE. PLEASE CONTACT YOUR LOCAL BUREAU OF INDIAN AFFAIRS (BIA) IRRIGATION PROJECT OFFICE AND PROVIDE THIS INFORMATION BY NO LATER THAN 30 DAYS FROM THE DATE OF THIS LETTER. ENCLOSED FOR YOUR CONVENIENCE AND USE IS THE INTERNAL REVENUE SERVICE "REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION W-9 FORM".

THE DEBT COLLECTION IMPROVEMENT ACT (DCIA) OF 1996 (PUBLIC LAW 103-134) WAS SIGNED BY THE PRESIDENT ON APRIL 26, 1996, AND BECAME EFFECTIVE IMMEDIATELY. A PROVISION OF THE DCIA (31 U.S.C. 7701) REQUIRES FEDERAL AGENCIES, INCLUDING THE BIA, TO OBTAIN A TIN/SSN FROM EACH PERSON OR BUSINESS DOING BUSINESS WITH THE FEDERAL GOVERNMENT. IRRIGATION WATER USERS RECEIVING SERVICES FROM BIA IRRIGATION PROJECTS ARE COVERED UNDER THE DCIA AND MUST PROVIDE THE INDIVIDUAL PROJECT OFFICES THEIR TIN/SSN. A TIN IS ASSIGNED BY THE INTERNAL REVENUE SERVICE AND A SSN IS ASSIGNED BY THE SOCIAL SECURITY ADMINISTRATION. THE BIA MAY USE YOUR TIN/SSN FOR PURPOSES OF COLLECTING AND REPORTING ON ANY DELINQUENT AMOUNTS ARISING OUT OF YOUR RELATIONSHIP WITH THE IRRIGATION PROJECT.

SIGNED DEPUTY COMMISSIONER OF INDIAN AFFAIRS

ENCLOSURE

Form **W-9**
(Rev. January 1993)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give this form to
the requester. Do
NOT send to IRS.

Name (If joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See instructions on page 2 if your name has changed.)

Business name (Sole proprietors see instructions on page 2) (If you are exempt from backup withholding, complete this form and enter "EXEMPT" in Part II below.)

Address (number and street)
City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For sole proprietors, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How To Obtain a TIN* below.

Social security number

OR

Employer identification number

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Part II For Payees Exempt From Backup Withholding (See Exempt Payees and Payments on page 2)

Requester's name and address (optional)

Certification.—Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (Also see *Signing the Certification* on page 2.)

Sign Here

Signature

Date

Section references are to the Internal Revenue Code.

Purpose of Form.—A person who is required to file an information return with the IRS must obtain your correct TIN to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN) and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.

How To Obtain a TIN.—If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

To complete Form W-9 if you do not have a TIN, write "Applied for" in the space for the TIN in Part I, sign and date the form, and give it to the requester. Generally, you will then have

60 days to obtain a TIN and furnish it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN to the requester. For reportable interest or dividend payments, the payer must exercise one of the following options concerning backup withholding during this 60-day period.

Under option (1), a payer must backup withhold on any withdrawals you make from your account after 7 business days after the requester receives this form back from you. Under option (2), the payer must backup withhold on any reportable interest or dividend payments made to your account, regardless of whether you make any withdrawals. The backup withholding under option (2) must begin no later than 7 business days after the requester receives this form back. Under option (2), the payer is required to refund the amounts withheld if your certified TIN is received within the 60-day period and you were not subject to backup withholding during this period.

Note: Writing "Applied for" on the form means that you have already applied for a TIN OR that you intend to apply for one in the near future.

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

What Is Backup Withholding?—Persons making certain payments to you after 1982 are required to withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest,

dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- The IRS notifies the requester that you furnished an incorrect TIN, or
- You are notified by the IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for reportable interest and dividends only), or
- You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
- You do not certify your TIN. This applies only to reportable interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

Except as explained in 5 above, other reportable payments are subject to backup withholding only if 1 or 2 above applies. Certain payees and payments are exempt from backup withholding and information reporting. See *Payees and Payments Exempt From*

Backup Withholding, below and Exempt Payees and Payments under Specific Instructions, below if you are an exempt payee. Payees and Payments Exempt From Backup Withholding.—The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

(1) A corporation. (2) An organization exempt from tax under section 501(c)(3), or an IRA, or a custodial account under section 403(b)(7). (3) The United States or any of its agencies or instrumentalities. (4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities. (5) A foreign government or any of its political subdivisions, agencies, or instrumentalities. (6) An international organization or any of its agencies or instrumentalities. (7) A foreign central bank of issue. (8) A dealer in securities or commodities required to register in the United States or a possession of the United States. (9) A futures commission merchant registered with the Commodity Futures Trading Commission. (10) A real estate investment trust. (11) An entity registered at all times during the tax year under the Investment Company Act of 1940. (12) A common trust fund operated by a bank under section 584(a), (13) A financial institution. (14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., *Nominee List*. (15) A trust exempt from tax under section 664 or described in section 4947.

Payments of dividends and patronage dividends generally not subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals.

Note: You may be subject to backup withholding if the interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct TIN to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under section 855).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage interest paid by you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N, and their regulations.

Penalties

Failure To Furnish TIN.—If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal Penalties for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs.—If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name.—If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new last name.

If you are a sole proprietor, you must furnish your individual name and either your SSN or EIN. You may also enter your business name or "doing business as" name on the business name line. Enter your name(s) as shown on your social security card and/or as it was used to apply for your EIN on Form SS-4.

Signing the Certification.

1. **Interest, Dividend, and Barter Exchange Accounts Opened Before 1983 and Broker Accounts Considered Active During 1983.** You are required to furnish your correct TIN, but you are not required to sign the certification.

2. **Interest, Dividend, Broker, and Barter Exchange Accounts Opened After 1983 and Broker Accounts Considered Inactive During 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. **Real Estate Transactions.** You must sign the certification. You may cross out item 2 of the certification.

4. **Other Payments.** You are required to furnish your correct TIN, but you are not required to sign the certification unless you have been notified of an incorrect TIN. Other payments include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services, payments to a nonemployee for services (including attorney and accounting fees), and payments to certain fishing boat crew members.

5. **Mortgage Interest Paid by You, Acquisition or Abandonment of Secured Property, or IRA Contributions.** You are required to furnish your correct TIN, but you are not required to sign the certification.

6. **Exempt Payees and Payments.** If you are exempt from backup withholding, you should complete this form to avoid possible erroneous

backup withholding. Enter your correct TIN in Part I, write "EXEMPT" in the block in Part II, and sign and date the form. If you are a nonresident alien or foreign entity not subject to backup withholding, give the requester a completed Form W-8, Certificate of Foreign Status.

7. **TIN "Applied for."** Follow the instructions under How To Obtain a TIN, on page 1, and sign and date this form.

Signature.—For a joint account, only the person whose TIN is shown in Part I should sign. **Privacy Act Notice.**—Section 8109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payors must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN or:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account. ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor. ²
4. a. The usual revocable savings will (grantor is also trustee)	The grantor-trustee. ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner. ⁴
5. Sole proprietorship	The owner. ⁵
For this type of account:	Give name and EIN or:
6. Sole proprietorship	The owner. ⁶
7. A valid trust, estate, or pension trust	Legal entity. ⁴
8. Corporation	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish.

² Circle the minor's name and furnish the minor's SSN.

³ Show your individual name. You may also enter your business name. You may use your SSN or EIN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title(s).

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.



United States Department of the Interior

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
Office of Trust Funds Management
505 Marquette N.W. Suite 1000
Albuquerque, New Mexico 87102

IN REPLY REFER TO:
900-IM Reform Initiatives
Reference # 232980

MAR 24 2000

Elaine I Mc Laughlin
Box 277
Cannon Ball, ND 58528

Dear Ms. Mc Laughlin.

A review of your file indicates that we need the following document to complete your account information

Taxpayer Identification Number Form W-9

This information is required by the Internal Revenue Service. Without the correct information, we may be required to withhold amounts from your account and remit them to the IRS on your behalf. Please fill in your social security number and then sign and date the form and return it in the envelope provided.

If you have any questions, the agency that handles your account can be reached by calling 1-888-678-6836 and entering 302 when prompted.

Sincerely,

James H. Stephens
Trust Funds Project Coordinator



United States Department of the Interior

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
Office of Trust Funds Management
505 Marquette N.W. Suite 1000
Albuquerque, New Mexico 87102

IN REPLY REFER TO:
900-IIM Reform Initiatives
Reference # 232980

SECOND REQUEST

August 8, 2000

Elaine J McLaughlin
Box 277
Cannon Ball, ND 58528

Dear Ms McLaughlin

We are attempting to update our records and we need to get some information about you to complete your account documentation. We have sent you a letter, asking you to return some documentation to help complete our files. The following are the documents we need to receive from you.

Permanent Authorization

This form allows us to process payments to you anytime the balance in your account reaches fifteen dollars. Please complete and sign and date the form, have it notarized and return in the envelope provided.

Taxpayer Identification Number Form W-9

This information is required by the Internal Revenue Service. Without the correct information, we may be required to withhold amounts from your account and remit them to the IRS on your behalf. Please fill in your social security number and then sign and date the form and return it in the envelope provided.

It is very important that we receive this information in the next few days in order to make sure that your funds are properly credited to your account and that your funds are available to you. Please take a minute to fill out the forms we have enclosed for you and send them in with any other requested information. Your cooperation in this process is greatly appreciated. If you have any questions, the agency that handles your account can be reached by calling 1-888-678-6836 and entering 302 when prompted.

NOTE: If you have previously responded to this request, please disregard this letter. Thank you.

Sincerely,

Dianne Moran
Trust Funds Project Coordinator

Form 5-4249 (YELLOW)
September 1972

ALBUQUERQUE, NEW MEXICO

CHECK NO. _____

AUTH. 25 CFR, § 115.3

ACCT. _____

Instructions

When check is drawn against authorization on file complete this portion (leave lower portion blank) and place in book file. Show address on check when mailed.

INDIVIDUAL INDIAN ACCOUNTS APPLICATION

(Permanent Authorization)

Deputy Disbursing Agent

Date _____

Office of Trust Funds Management

As provided by 42 BIAM 3.10H(1), it has been administratively determined that no supervision is required of _____ (name of Indian) funds. Therefore, any and all funds accruing to Account No. _____ should be immediately disbursed to the account owner. "Blanket Authority to release ALL funds as accrued."

This authorization is to remain in effect until rescinded.

Signature/Name of Account Holder

Social Security #

Address

Date of Birth

Telephone Number

In Witness, Whereof, I hereunto set my hand and official seal.

NOTARY PUBLIC

My Commission Expires

Approving Officer

DISTRIBUTION OF AUTHORIZATION:

Original - Jacket File
(Notate Ledger Account)

Account Number _____

PERMANENT AUTHORIZATION

Form W-9 (Rev. December 1988) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do NOT send to the IRS.
Name (If a joint account or you changed your name, see Specific Instructions on page 2.)		
Business name, if different from above. (See Specific Instructions on page 2.)		
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶		
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How To Get a TIN on page 2. Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.		Last account number(s) here (optional)
<div style="border: 1px solid black; padding: 5px; text-align: center;"> Social security number + + + + + + + + + + OR Employer identification number + + + + + + + + + + </div>		Part II For Payees Exempt From Backup Withholding (See the instructions on page 2.)
Part III Certification Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)		
Sign Here	Signature ▶	Date ▶
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Purpose of Form.—A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.</p> <p>Use Form W-9 to give your correct TIN to the person requesting it (the requester) and, when applicable, to:</p> <ol style="list-style-type: none"> 1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued), 2. Certify you are not subject to backup withholding, or 3. Claim exemption from backup withholding if you are an exempt payee. <p>Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.</p> <p>What Is Backup Withholding?—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding</p> </div> <div style="width: 35%;"> <p>include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.</p> <p>If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:</p> <ol style="list-style-type: none"> 1. You do not furnish your TIN to the requester, or 2. The IRS tells the requester that you furnished an incorrect TIN, or 3. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or 4. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or </div> <div style="width: 30%;"> <ol style="list-style-type: none"> 5. You do not certify your TIN when required. See the Part III instructions on page 2 for details. <p>Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate instructions for the Requester of Form W-9.</p> <p>Penalties</p> <p>Failure To Furnish TIN.—If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.</p> <p>Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.</p> <p>Criminal Penalty for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.</p> <p>Misuse of TINs.—If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.</p> </div> </div>		

August 30, 2000

Honorable Kent Conrad, Senator
Senate Select Committee on Indian Affairs
Washington, D. C.

Dear Senator Conrad:

I am Allen White Lightning, a member of the Standing Rock Sioux Tribe, and I am the main adversary of the Office of Trust Funds Management, Albuquerque, New Mexico, in the handling of Standing Rock's Individual Indian Money Accounts.

On a personal basis, the Office of Trust Funds Management, Albuquerque did issue U.S. Treasury Check No. 15111433 on February 22, 2000 to the Standing Rock Sioux Tribe to repay my short term loan in full. It never arrived - nor did one hundred twenty-some other U.S. Treasury checks issued on the same day - February 22, 2000 - from IIM Account holders payable to the Standing Rock Sioux Tribe for repay short term loans.

I found this out in mid-March 2000 when my cousin died suddenly and I went to the Short Term Loan Program to make a loan to help out with food for her wake. The Tribe never did get this check to pay off my previous loan. Instead, the Office of Trust Funds Management, Albuquerque, New Mexico, cancelled U.S. Treasury Check No. 15111433 on April 12, 2000 and redeposited the money back into my IIM account.

On April 13, 2000, another U.S. Treasury Check (No. 15287737 was issued to the Standing Rock Sioux Tribe to pay off my loan. This check the Tribe did receive.

What happened to the first check that was issued? And, to the other checks issued on February 22, 2000?

When I became aware of this, I immediately called the tollfree OTFM line which did not get me into the OTFM in Albuquerque but was answered by someone in Oklahoma - who had no idea what I was talking about because he had no access to the information I requested on my IIM account. I requested to speak with Donna Erwin whom I am told is the head of the Office of Trust Funds Management. When she finally returned my call to the number where I could be reached, I did not speak with her personally. She left a message that she was not going to put up with any abuse over the phone from me.

I chose to call my Congressional delegation on this matter instead.

Now, I bring this personal matter to your attention and, like other IIM Accountholders, request action to have the encoding/processing of transactions on IIM accounts be brought back to the local level, Standing Rock Agency, to handle our lease rental income this Fall. The lessors and permittees will be paying in our annual rental income to the Agency for disbursement to landowners beginning October 2000. We have no assurances or guarantees that our rental income will be disbursed to us immediately after the Agency runs its payouts.

Sincerely,

A handwritten signature in dark ink, appearing to read "Allen White Lightning", with a stylized flourish at the end.

Allen White Lightning
Post Office Box 456
Fort Yates, North Dakota 58538

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 1 OF 11
 3020010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

10/31	BALANCES CARRIED FORWARD	4.07	0.00
11/15	CASH RECEIPT	0.67	
	FARM PASTURE		
	DOCUMENT # JV11A05017 1090		
	BATCH NO. 2Y000133 TRANS NO. 5835		
11/18	CASH RECEIPT	0.02	
	MONTHLY INTEREST EARNINGS		
	DOCUMENT # JV10A20623.INT/OCT99		
	BATCH NO. 2Y000172 TRANS NO. 23635		
12/08	CASH RECEIPT	2.35	
	RANGE LEASE		
	DOCUMENT # JV12A10079L0028T4079		
	BATCH NO. 2Y000080 TRANS NO. 14861		

F1-HELP	F2-HINT	F3-END	F5-RFIND	F6-PRINT	F7-UF	F8-DOWN	F10-LEFT
4-@	1 Sess-1	192.168.161.210			T07E0A11		3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 2 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

12/08	CASH RECEIPT	2.34
	RANGE LEASE	
	DOCUMENT # JV12A10079L0028T4079	
	BATCH NO. ZY000080 TRANS NO. 14862	
12/08	CASH RECEIPT	4.53
	RANGE LEASE	
	DOCUMENT # JV12A10079L0061T2784	
	BATCH NO. ZY000080 TRANS NO 19458	
12/08	CASH RECEIPT	2.83
	RANGE LEASE	
	DOCUMENT # JV12A10079L0116T3123	
	BATCH NO. ZY000080 TRANS NO. 22944	
12/08	CASH RECEIPT	0.47
	RANGE LEASE	

F1-HELP	F2-HINT	F3-END	F5-REIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-0	1 Sess-1	192.168.161.210				T07E0A11	3 15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 3 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

DOCUMENT # JV12A10079L0607T2057
 BATCH NO. ZY000080 TRANS NO. 71313

12/08 CASH RECEIPT 0.64
 FARM PASTURE
 DOCUMENT # JV11A10063 2179T
 BATCH NO. ZY000081 TRANS NO. 21663

12/08 CASH RECEIPT 0.13
 FARM PASTURE
 DOCUMENT # JV11A10063 2179T
 BATCH NO. ZY000081 TRANS NO. 21669

12/08 CASH RECEIPT 0.16
 FARM PASTURE
 DOCUMENT # JV11A10063 2179T
 BATCH NO. ZY000081 TRANS NO. 21670

F1-HELP	F2-HINT	F3-END	F5-REFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-0	1	sess-1	192.168.161.210			T07EDAll	3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 4 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

12/10 CASH RECEIPT	125.43
FARM PASTURE	
DOCUMENT # JV12A10087 2149-B	
BATCH NO. ZY000109 TRANS NO. 4057	
12/13 CASH RECEIPT	0.52
RANGE LEASE	
DOCUMENT # JV11A10069L0116T3123	
BATCH NO. ZY000123 TRANS NO. 2666	
12/13 CASH RECEIPT	0.06
RANGE LEASE	
DOCUMENT # JV11A10069L0507T2057	
BATCH NO. ZY000123 TRANS NO. 17765	
12/15 CASH RECEIPT	0.51

F1-HELP	F2-HINT	F3-END	F5-REFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-0	1 Sess-1	192.168.161.210				T07E0A11	3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 5 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

RANGE LEASE
 DOCUMENT # JV12A14115L0024T0713
 BATCH NO. ZY000152 TRANS NO. 9294

12/17 CASH RECEIPT 0.02
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV11A20623.INT/NOV99
 BATCH NO. ZY000181 TRANS NO. 3319

01/24 CASH RECEIPT 0.57
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV12A20623.INT/DEC99
 BATCH NO. ZY000197 TRANS NO. 3672

02/22 CASH DISBURSEMENT 100.06-
 PAID TO -STANDING ROCK SCHOOL FRIEE
 ATTN FINANCE/STLF

	F1-HELP	F2-HINT	F3-END	F5-DFIND	F6-DFINT	F7-UP	F8-DOWN	F9-LEFT
4-69		1 Desc-1	192.160	161.220		TOTAL		3 15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS
 302U010458 ALLEN L-WHITE LIGHTNING
 COMMAND ==>

PAGE 6 OF 11
 PRIN. CASH
 INCOME CASH

PO BOX D
 FORT YATES ND 58538
 LOAN PAYMENT
 T/A CHECK # 15111433 SEQ # 10
 PAID FOR 501-52-9408
 LOAN #329 FOR ALLEN L WHITE LIGHTNING
 BATCH NO. 0T001323 TRANS NO. 06
 SHORT TERM PAID IN FULL LOAN #329
 BATCH NO. 0T001323 TRANS NO. 07
 02/22 CASH DISBURSEMENT 25.26-
 PAID TO ALLEN L-WHITE LIGHTNING
 PO BOX 456
 FORT YATES ND 58538
 ACCOUNT BALANCE
 T/A CHECK # 15111581 SEQ # 79
 PAID FOR SAME

F1-HELP	F2-HINT	F3-END	F5-REFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4--6)	1	5853-1	102.160.161.210			T07E0A11	3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 7 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

BATCH NO. ZY000197 TRANS NO. 83

02/23 CASH RECEIPT 0.79
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV01A20623.INT/JAN00
 BATCH NO. ZY000208 TRANS NO. 3463

03/17 CASH RECEIPT 0.55
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV02A20623.INT/FEB00
 BATCH NO. ZY000169 TRANS NO. 3382

04/13 CASH RECEIPT 120.06
 STOP PAYMENT
 CC04K7761 4/12/00 CK#15111433
 BATCH NO. OT000812 TRANS NO. 04

F1-HELP	F2-HINT	F3-END	F5-RFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-@	1 Sess-1	192.168.161.210				T07E0A11	3, 15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 8 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

04/13 CASH DISBURSEMENT 120.06-
 PAID TO STANDING ROCK SIOUX TRIBE
 ATTN: FINANCE/STLP
 PO BOX D
 FORT WATES ND 58538
 LOAN PAYMENT
 T/A CHECK # 15287737 SEQ # 47
 PAID FOR 501-52-9408
 LOAN PAYMENT#828 FOR ALLEN L WHITE LIGHTNING
 BATCH NO. 0T000812 TRANS NO. 57

05/10 CASH RECEIPT 0.35
 RANGE LEASE
 DOCUMENT # JVO4A10311L0028T4079
 BATCH NO. 2x00009E TRANS NO. 2446

05/10 CASH RECEIPT 0.35

F1-HELP	F2-HINT	F3-END	F5-RFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-09	1 Sess-1	132 168	161.216		T07E0A11		0.15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 9 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

RANGE LEASE
 DOCUMENT # JV04A10311L0023T4079
 BATCH NO. 2Y000095 TRANS NO. 2447

05/10 CASH RECEIPT 0.67
 RANGE LEASE
 DOCUMENT # JV04A10311L0061T2784
 BATCH NO. 2Y000095 TRANS NO. 4654

05/10 CASH RECEIPT 0.07
 RANGE LEASE
 DOCUMENT # JV04A10311L0060T2057
 BATCH NO. 2Y000095 TRANS NO. 33459

05/15 CASH RECEIPT 0.25
 RANGE LEASE
 DOCUMENT # JV05A10383L0116T3123

F1-HELP	F2-HINT	F3-END	F5-RFIND	F6-PRINT	F7-UP	F8-DOWN	F10-LEFT
4-c	1 Sess-1	192.168.161.210				T07E0All	3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 10 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

BATCH NO. 2Y000135 TRANS NO. 2534

06/15 CASH RECEIPT 0.01
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV05A20623.INT/MAY00
 BATCH NO. 2Y000146 TRANS NO. 2557

07/13 CASH RECEIPT 3.37
 FARM PASTURE
 DOCUMENT # JV07A05094 0305
 BATCH NO. 2Y000100 TRANS NO. 3872

07/20 CASH RECEIPT 0.02
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV06A20623.INT/JUN00
 BATCH NO. 2Y000170 TRANS NO. 3439

F1-HELP	F2-HINT	F3-END	F4-REIND	F5-PRINT	F6-UP	F7-DOWN	F8-LEFT
4-0	1	588-1	192.168.1.110			T07E0A11	3/15

TRANSACTIONS FROM 11/01/99 TO 08/30/00 - ALL PORTFOLIOS PAGE 11 OF 11
 302U010458 ALLEN L-WHITE LIGHTNING PRIN. CASH INCOME CASH
 COMMAND ==>

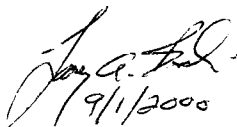
08/17 CASH RECEIPT 6.04
 MONTHLY INTEREST EARNINGS
 DOCUMENT # JV07A20622.INT JUL00
 BATCH NO. 24900171 TRANS NO. 3512

08/30 ENDING BALANCE - PRINCIPAL PORTFOLIO 11.47
 08/30 ENDING BALANCE - INCOME PORTFOLIO 0.00
 08/30 ENDING BALANCE - INVESTED INCOME PORTFOLIO 0.00

F1-BELL	F2-HINT	F3-END	F4-PTING	F5-PRINT	F6-FUE	F7-DOWN	F8-LEFT
1	3	55	1	192.130	151.210	10720211	0.15

TESTIMONY

of


9/1/2000

LARRY A. BODIN, SUPERINTENDENT, BUREAU OF AFFAIRS,
STANDING ROCK AGENCY

on

INDIVIDUAL INDIAN
MONEY ACCOUNT ISSUES

before the

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

September 1, 2000

Introduction

Good morning, Chairman Conrad. I appreciate your presence here today to listen to the concerns and issues impacting the Standing Rock Sioux Tribe and its members. My name is Larry A. Bodin. I am the Superintendent of the Standing Rock Agency Office under the Great Plains Region of the Bureau of Indian Affairs. I am also an enrolled member of the Standing Rock Sioux Tribe. I was born and raised on the Standing Rock Sioux Reservation. I am originally from the community of Cannon Ball, North Dakota. I have been personally invited by Senator Ben Nighthorse Campbell, Chairman, Senate Committee on Indian Affairs, to present testimony to the Committee regarding the Individual Indian Money Account issues.

Mission and Objectives

The Bureau of Indian Affairs is the primary agency of the Federal Government charged with the responsibility to administer Federal Indian policy and to fulfill the Federal trust responsibility for American Indian Tribes, Alaska native villages and Tribal organizations. Federal Indian policy

and the trust responsibility are derived from the special legal and political relationship between the Tribes and the Federal Government. As Superintendent, I am charged with this responsibility as the “grass roots” level senior Federal Officer with jurisdiction on the Standing Rock Sioux Reservation. The Bureau carries out the trust responsibility to Tribes and Individual Indians in managing and administering trust assets for the exclusive benefit of Tribal and Individual Indian beneficiaries. The Bureau generates proceeds on behalf of Tribes and Individual Indians from several sources of payments to be deposited in trust accounts and disbursed to the account holders or to third parties as authorized by the account holders. Source of funds include the following:

(a) Payments from the United States as a Result of:

- (1) Federal laws requiring deposits in trust accounts.
- (2) Settlement of a claim related to Indian lands or resources that requires the trust funds to be deposited in trust accounts.
- (3) A final order from a United States court for a cause of action directly related to trust resources or assets requiring funds to be deposited in trust accounts.
- (4) Unspent forestry funds specifically appropriated as trust funds to the Bureau of Indian Affairs.
- (5) Certain Federal assistance payments, such as VA benefits, Social Security, or Supplemental Security Income, but only if the account holder has a supervised account and the account holder does not have a legal guardian other than the Bureau of Indian Affairs.

(b) Payments resulting from:

- (1) Purchase or use of Indian lands or resources, including any late payment penalties, when paid directly to the Secretary.
- (2) Civil penalties for trespass on Indian lands.
- (3) Default or breach of the terms of a contract for the lease or purchase of Indian lands or resources arising from cash performance or surety bonds or other sources.

(c) Other:

- (1) Interest earned on trust funds deposits.
- (2) Trust to trust transfers of trust funds from tribal accounts to existing Individual Indian Money accounts of tribal members, or from Individual Indian Money estate accounts to Individual Indian Money accounts of heirs pursuant to probate orders.

The Bureau of Indian Affairs Education Loan, Credit, Realty, Natural Resource, Tribal

Government and Social Services Offices are the primary offices that impact the Individual Indian Money Accounts on a daily basis. The Realty and Natural Resource Offices issue leases, permits and rights of ways on the Indian lands to generate trust revenue for the Individual Indian land owners. The Realty Offices work in conjunction with the Administrative Law Judges to handle estate accounts and process the approved claims against the estate accounts. The Tribal Government Office monitors the Judgement Fund activities impacting the account holders. The Social Services Office supervise accounts of certain adults who are assessed to be incapable of handling their own financial matters. Social Services Office also supervises accounts of minors until they reach the age of majority. Education Loan and Credit Offices serve as lenders to Individual Indians and also impact the Individual Indian Money Accounts. Account holders voluntarily encumber their future trust income to pay loans or, upon default, their future trust income could be applied to repay the encumbrances. The Standing Rock Sioux Tribe operates the Education Loan and Credit Offices.

With limited staff and resources, the Agency Office successfully processes transactions to the satisfaction of the Individual Indians and the Tribal Government. It is understood that land related transactions are time consuming by the very nature that land transactions are required to be in writing. The inherited heirship system has created a massive fractionation in the ownership of land. Many Individual Indians own undivided interest in Indian land. In order to cope with the administrative nightmare of multiple ownership of land, the Standing Rock Agency Office developed a management, accounting and distribution system known a MAD System. The MAD System is currently utilized by the Great Plains Region. The MAD System interfaces with the Office of Trust Funds Management Trust Funds Accounting System known as TFAS. The MAD System has greatly improved the billing, collection and distribution to Individual Indian Money Accounts. So, the use of today's technology to improve our services to Indian people is paramount to the Bureau of Indian Affairs.

As I address the Individual Indian Account issues, it is important to remember that the Indian people on the Standing Rock Sioux Reservation rely on the trust income from the Indian land for basic survival and, in many cases, it is only a supplement to meeting basic needs.

In FY 1996, the Office of Trust Funds Management was transferred from the Bureau to the Office of Special Trustee pursuant to *Public Law 104-134* and Secretarial Order 3197.

My statement, today, will focus on the Office of Trust Funds Management since the establishment of the separate line of authority under the Special Trustee.

The Negative Impact of the Trust Management Improvement Project

Congressional hearings started in 1989. As a result of many hearings of Congress over the trust responsibilities and functions of the Department of Interior and the Bureau of Indian Affairs, Congress passed P.L. 103-412, American Indian Trust Fund Management Reform Act of 1994. A Special Trustee was appointed by the President of the United States and confirmed with the consent of the Senate. The Special Trustee created and submitted his strategic plan in April, 1997. The Office of the Special Trustee would be terminated when all reforms identified in the

strategic plan are implemented to the satisfaction of the Special Trustee. The Special Trustee's Vision Statement:

"To manage the U.S. Government's trust responsibilities to American Indians and American Indian Tribes for trust resource management, trust funds management and land title and records management according to the most exacting fiduciary standards and moral obligations of the highest responsibility and trust."

The Secretary of Interior approved the Department's Trust Management Improvement Project and the first plan to implement the project in July, 1998 and revised February, 2000. Subsequently, a High Level Implement Plan was developed to pursue a three-prong approach to address fractionation of Indian land, claims and improve trust management and accounting system. The High Level Implement Plan became the "bible" to achieve the intent of Congress. The Bureau has been working with the Office of Special Trustee to develop the Plan with its 13 major components. The Bureau will continue to work with the Office of Special Trustee to improve the Department's administration and management of its trust responsibilities.

The Office of Trust Funds Management within the Bureau of Indian Affairs maintained the Individual Indian Money Accounts. By Secretarial Order dated February 9, 1996, the Office of the Special Trustee was established and the Office of Trust Funds Management was transferred from the Bureau of Indian Affairs to the Office of the Special Trustee. This action established a separate line of authority over staff maintaining Individual Indian Money Accounts at the local Agency Office. The Agency Superintendent no longer supervised the local Agency Office of Trust Funds Management and caused confusion in Indian Country.

The Standing Rock Sioux Tribe encountered the first major negative impact when the Individual Indian Money Jacket Files were to be transferred to the Albuquerque Office of Trust Funds Management as part of the Trust Management Improvement Project was implemented. The Standing Rock Sioux Tribe through formal passage of Tribal Council Resolution opposed the transfer of records which they presently still maintain. The Standing Rock Sioux Tribe maintains that they should have been officially consulted on the transfer of records decision. The Individual members of the Standing Rock Sioux Tribe interpret, along with the Standing Rock Sioux Tribal Government, that the records must be kept at the Standing Rock Agency according to their Treaty of 1868 with the United States Government. The original Individual Indian Money Jacket Files are still located at the Standing Rock Agency local Office of Trust Funds Management. The Office of Special Trustee and Office of Trust Funds Management are expected to hold a meeting that would be regarded as the "Official Consultation" by the Standing Rock Sioux Tribe.

Although, the Trust Management Improvement Project was underway since 1998, there was no outcry regarding the non-receipt of trust income by the account holders and no real concern from the Tribal loan programs. The Individual Indians expecting estate distributions were happy with the services after the final order of the Administrative Law Judge. It was basically business as usual until a significant event occurred.

The Office of Trust Funds Management completed a new Individual Indian Money Computer System known as TFAS and the use of the old computer system came to an end on October 31,

1999. The negative impacts were not due to the use of the TFAS, the new computer system. Along with the change to TFAS, the major negative change was the removal of data entry to Albuquerque Office of Trust Funds Management. So, business as usual came to an end! Since November 1, 1999, the processing of Individual Indian Money transactions through the Office of Trust Funds Management has drastically slowed down as compared to the previous performance. The Office of Trust Funds Management and the Special Trustee have ignored this fact! The Individual Indians most impacted along with the Tribal loan programs are those accounts supervised by Social Services, those expecting the remaining balances disbursed to them after the encumbrances against their accounts are paid, and those expecting distributions from estate accounts and land sale proceeds.

The High Level Implementation Project will result in a new Trust Assets Accounting Management System (TAAMS) soon. As stated earlier, the current automated system of distributing monies to Individual Indian Money Accounts that the Bureau of Indian Affairs is known as the MAD System. The MAD system is the most progressive computer program that was created at the Standing Rock Agency and is now utilized by all Agencies in the Great Plains Region and a modified form of MAD at the Southern Plains Region. It serves the Standing Rock Reservation well! TAAMS will interface with TFAS the same as MAD currently does. The processing time will not improve just because a new computer system is developed to replace the current system of how these offices distribute lease, range and right of way monies. The problem lies in how the Individual Indian Money business is carried out by the Office of Trust Funds Management.

Prior to November 1, 1999, the Standing Rock Agency local Office of Trust Funds Management staff processed all documents into the Individual Indian Money computer system including data entry; that is, documents unrelated to the automated lease and range distribution system (MAD). All documents were fully processed by the local Office of Trust Funds Management at the Agency. After November 1, 1999, these same type of documents are processed by both the local office and the Albuquerque office of Trust Funds Management. The local IIM office acquires the documentation from BIA to support the IIM transaction and prepares code sheets for data entry. Their local office then faxes copies of every piece of supporting documentation including the code sheets to Albuquerque. The Albuquerque office then reviews the supporting documentation and encodes into the TFAS. There is a doubling operation in progress; that is, there are two offices doing the same process except only the Albuquerque Office actually affects the TFAS. For example, one estate distribution document or Journal Voucher was prepared by Realty to distribute to five heirs. When the transaction was finalized, it took a total of 56 pages of fax. In this example, this centralized data entry system has changed the use of one original Journal Voucher for data entry to 56 pages of fax.

The reviewing of documents submitted by BIA is done twice, once by the local IIM office and another by the Quality Assurance office in Albuquerque. The encoding is done twice, once on code sheets by local IIM office and the actual data entry into TFAS by Albuquerque. The very act of faxing copies of all supporting documents causes a delay. The supporting documents can only be understood by program specialists, not by accounting personnel. Questioned transactions are faxed back and forth as well as addressing questions by email. There are too many Office of Trust Funds Management personnel involved in one transaction and all personnel are inconsistent in what is required and how a transaction needs to be interpreted or properly

handled. There has been a lot of animosity created between BIA, the local IIM office and the Albuquerque accounting staff. Many misunderstanding of each others' roles in the various transactions. Albuquerque staff are attempting to perform BIA program functions or feel they know more than the program staff; such as, Probate Specialists, Land acquisition staff, Administrative Law Judges and Social Services staff. In the end, the ultimate customers, Standing Rock Sioux Tribe and its members are impacted severely by these delays.

Processing one-time payment and budgeted scheduled checks timeframe has increased from approximately one day to a range of 10 days to four months. Many who expected checks before Thanksgiving and Christmas Holidays did not receive them until after the holidays. Processing of Journal Vouchers used for Probates and Land Sales increased from 1 day to a range of 3 weeks to 5 months. In some cases, Journal Vouchers were cancelled and timeframes started over. Prior to data entry being removed to Albuquerque, the local IIM office processed a minimum of 65 Journal Vouchers daily. The processing of Tribal Short Term Loan payments with remaining balances released to account holders was done in 3 days and checks delivered before Christmas holiday. This process increased to a range of 2 months to 6 months. As of today, some loans still have not been processed after 10 months. A new added twist to processing Tribal Short Term Loan payments has occurred recently. Although, third party payments were authorized by the account holder, all loan payments were placed on hold until the account holder submits their current address. This places an added burden on the Tribal Loan program and other Individual Indians who want to make loans. Some have very high interest loans which eats away at the remainder of their trust income.

Account holders were given access to an 800 number to inquire about their account status or follow-up on transactions. Account holders complained that their questions go unanswered. Some of the Albuquerque staff have complained that they can't get their job done with so many telephone calls and referred to callers from the Standing Rock Sioux Reservation as "mean people". Some callers complained that they were treated in rude manner by Office of Trust Funds Management staff.

In addressing these concerns, I personally asked the Director, Office of Trust Funds Management and the Special Trustee to intervene, but I was unsuccessful in my attempt. The Office of Trust Funds Management answered orally and in writing that the delays were caused by my Standing Rock Agency program staff. The Office of Trust Funds Management has stated on several occasions to me and my staff that they believe TAAMS will bring to resolution the delays encountered by account holders. I suggested recommendations to the Office of Trust Funds Management that would achieve our common goal of improved trust services to the Standing Rock Sioux Tribe and its members. The result was their steadfastly refusing to acknowledge the scope of the problems and they denied my following recommendations:

- (1) The Office of Trust Funds Management to return the data entry back to the Standing Rock Agency local IIM office.
 - (a) Office of Trust Funds Management denied this approach because of their concern over the internal control issue of segregation of duties was not possible with the current level of staff. They indicated that the past audit reports called for better accountability and they will not entertain the return of data entry responsibilities to the local IIM office.

- (2) My counter recommendation to Office of Trust Funds Management in relationship to their position not to return data entry was for Office of Trust Funds Management to monitor the local IIM office on site. They can then determine the possibility of additional needed positions to achieve the segregation of duties.
- (a) Additional manpower will bring to resolution the delays currently encountered because there would be adequate personnel at the local IIM office. They can then perform all functions required at the local IIM office rather than the current centralized data entry imposed by Office of Trust Funds Management. Local IIM offices in other Regions are staffed at 4 to 6 positions while the Standing Rock Agency local IIM office has 1 temporary position and 1 permanent position.

The Great Plains Region has the most fractionated ownership of land by Individual Indians, resulting in the Region having the most IIM accounts in existence. This equates to an enormous workload for the local IIM office, not to mention our limited number of Standing Rock Agency staff to carry out the trust responsibilities that we are charged with. It is my firm belief that if the data entry function was returned to the Standing Rock Agency local IIM office, all the current unnecessary delays will be eliminated once and for all. Additionally, the animosity that currently exists among the BIA, local IIM office, Aberdeen and Albuquerque Offices of Trust Funds Management would also come to an end. Teamwork would be restored and the ultimate customers, the Standing Rock Sioux Tribe and its members, would greatly benefit from our improved trust and financial services. The common goal of the Bureau of Indian Affairs and the Office of Trust Funds Management to achieve improved trust services with satisfied customers would be a certainty! A true improvement in trust services for the Standing Rock Sioux Tribe and its members would be achieved as expected by the United States Congress!

STANDING ROCK ALLOTMENT

299

- 861 landowner interests on the title status report (TSR). Last examined for certification on April 11, 1995.
- TSR includes 67 ILCA probates (1984-1994 probates).
- 268 new heirs will be added to the TSR after ILCA probates are examined & entered to LRIS (67 probates X 4 heir average per probate).
- 35 decedents shown on the TSR (cases are pending either at the agency, OHA or LTRO).
- 140 new heirs will be added to the TSR when these probates are examined & entered to LRIS.
- The estimated total number of land owner interests will be 1,269 when title is completely examined for certification. The denominator will probably be 20 or more digits. It is currently at 16 now.

Prepared by: Jim Geffre, Supervisory Legal Instruments Examiner, BIA-
Great Plains Regional Office, Land Titles & Records Office, Aberdeen, SD.
August 31, 2000.

August 25, 2000

Honorable Kent Conrad, Senator
Senate Committee on Indian Affairs
c/o Standing Rock Sioux Tribe
Fort Yates, North Dakota 58538

Dear Senator Conrad:

I have children who inherited from their father's estate and receive annual lease rental income. My children are enrolled members of the Oglala Sioux Tribe and I am enrolled with the Standing Rock Sioux Tribe.

My experience with the Office of Trust Funds Management is that this office is extremely slow in processing transactions in an IIM account. Knowing this, I submitted my request on or about July 11 or 12, for my children to have funds released from their IIM accounts for school. I now contacted the Office of Trust Funds Management, using the 1-888-678-6836 toll free number, spoke with a woman named Helen. After explaining why my children need money from their IIM accounts, she asked me why I couldn't save up money all year-round to buy their school clothes. She also said I should get a job to buy groceries.

I felt very little after listening to her remarks.

I am disabled; otherwise, I probably could be working. As I said, I know how slow Albuquerque is and that is why I started my request in July, thinking my children would surely have their inherited money by now.

I am writing my testimony to you because you are concerned enough to come to Standing Rock to hear the treatment we get individually on that tollfree telephone line to OTFM. If it were the Agency staff who handled our accounts on a local level, we could speak to them face-to-face and not listen to belittlement over the phone from some unknown person named Helen.

Thank you for your attention and assistance.

Sincerely,

Delores Yellow Horse
Post Office Box 194
Little Eagle, SD 57639,

*Delores Yellow
Horse*

August 30, 2000

Honorable Kent Conrad, Senator
Senate Committee on Indian Affairs
c/o Standing Rock Sioux Tribe
Fort Yates, North Dakota 58538

Dear Senator Conrad:

I am Joe White Mountain, Sr., an enrolled member of the Standing Rock Sioux Tribe, residing in the Bear Soldier District.

I inherited Trust property located on the Fort Peck Reservation from my late sister, Mildred White Mountain, also a member of the Standing Rock Sioux Tribe; and, her estate was closed by my home agency, Standing Rock, in October 1999. I anticipated receiving the annual lease rental income sometime in January 2000 since the income is not derived from Standing Rock. What I did not know is that Fort Peck maintains IIM accounts on individuals owning Trust property on their Reservation and it was their responsibility to close out this estate account at their agency's OTFM office so I could receive the lease rental income.

As of August 18, 2000, I have been informed that Fort Peck Agency did finally complete its paperwork and sent to the Office of Trust Funds Management Albuquerque, New Mexico to close this estate in their system; however, nothing has been done to this date.. OTFM has failed to process the necessary documents to close my sister's estate account and deposit the income into my own IIM account. On August 28, 2000, I did contact Dean Webb, Supervisory Trust Accountant, Great Plains Regional Office, on my rental income from Fort Peck and he said he would take care of it. Today, I asked the Agency Realty staff to check on the status of this estate account with Mr. Webb. He informed my contact that Albuquerque has not processed the documents on this account to transfer the funds to my IIM account.

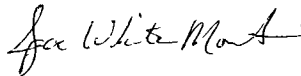
I am submitting my testimony on the negative effects I am experiencing due to the Office of Trust Funds Management, Albuquerque, New Mexico failing to process my disbursement of rental income in a timely manner. I have far exceeded the timeframe to have my short term loan repaid to the Standing Rock Sioux Tribe. Normally, these loans are paid off at the end of the

calendar year and the new loan period begins in February of the next year. In the case of transfer income from another area/agency like my situation, my loan should have been paid off in January 2000. Partial payment on my short term loan was done in October 1999 with a principal balance owing of \$225.00. As of August 2, 2000, the balance I owe is \$241.65, with an interest rate of 11.5% still being assessed daily until the Office of Trust Funds Management finally distributes rental income to my IIM account. I did have a death in my family in the Spring 2000 for which I was not able to obtain a loan because of the prior year's loan not being paid off through my IIM account.

My experience with the local Agency in other years is that our Agency staff was able to process lease rental income in a matter of days and checks were generated out of Aberdeen so we could expect our income within a week of processing by the Agency. This Office of Trust Funds Management in Albuquerque will have last year's rental distribution overlap into this Fall's lease time.

I appreciate your time and attention in coming to Standing Rock to hear our concerns about the Office of Trust Funds Management's lack of efficiency in handling our IIM accounts.

Sincerely,

A handwritten signature in cursive script that reads "Joe White Mountain, Sr.".

Joe White Mountain, Sr.
Post Office Box 15
McLaughlin, SD 57642



John Driskill@DOI
08/31/00 03:44 PM

To: OTFM_Field_Ops, OTFM_Acct_Processing_Pre-QA

cc:

Subject: Birth certificates

Birth certificates submitted as documentation must be the official birth certificate issued by the state not the complementary copy issued by the hospital.

*\$2.00 per certificate
must be mailed
an additional cost
+ additional delay*



John Driskill@DOI
08/31/00 02:40 PM

To: OTFM_Acct_Processing_Pre-QA, OTFM_Field_Ops

cc:

Subject: Voluntary Indebtedness Hold

Please discontinue using the optional category 22, "Voluntary Indebtedness Hold". A voluntary hold is a voluntary hold for any reason. The account should not be restricted as the account holder has to request payment from a voluntary hold.

We will be deleting Optional 22 from the TFAS system.

